

FlenTek Builds Closer Ties to Manufacturing OEMs via SAP Business One

SAP[®] Business
One



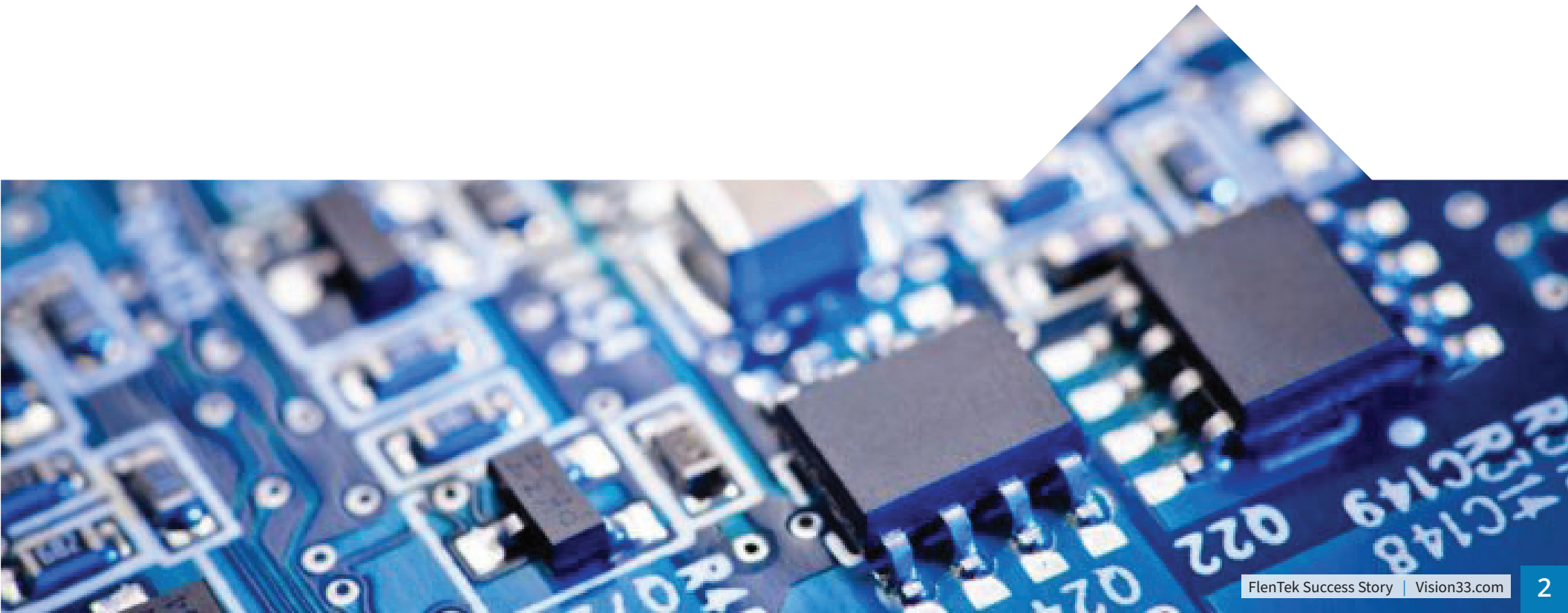
Seamless information-sharing and real-time insights remove process friction.

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ABOUT

FlenTek Solutions, Inc. designs and manufactures motor controller systems that go into OEM (original equipment manufacturer) products, such as forklifts and industrial, electric, and autonomous vehicles. As a top B2B sales company of Konica Minolta products in the US, FlenTek serves manufacturers that need to measure their products' color.

Read more at flentek.net.





The Challenge: Modernizing ERP to Better Serve Customers Profitably.



FlenTek Solutions (FlenTek) thrives on manufacturing and supplying systems, from custom software to OEMs. As revenue grew from \$5,000 in 2006 to nearly \$2 million in 2019, the company needed to streamline its finance and manufacturing planning processes to reduce costs, improve customer support, and maximize profitability.

FlenTek's reliance on a basic ERP system had slowed processes dramatically and begun draining resources. "We had to perform many core process steps manually," said Joseph Lewis, President & CEO of FlenTek. "Process speed suffered because our ERP didn't allow us to speak the same language as manufacturing OEMs."



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The existing system forced FlenTek staff to manually create part numbers to correspond with each of their customers' part numbers, which wasted hours. "We'd have the same product with three different part numbers for many of our key customers. So, we couldn't run anything like MRP because the information wasn't consistent or logically associated," Lewis added. The problem also negatively affected profits. It was common for one FlenTek account manager to quote one price to a customer, only to find that colleagues had accessed different pricing information. "Obviously, the customer was given the lowest price quoted," said Lewis.

FlenTek also overused resources and time performing annual software upgrades. They had to back up their existing versions to prepare for the upgrades, load the new software, take down and spin up their servers, and perform numerous administrative tasks to ensure everything worked correctly. "We spent too much time on upgrades each year, and we'd still

pay an IT company \$200 an hour to sit on the phone with my ERP vendor to figure out why two computers weren't working," said Lewis.

Finally, as an ISO 9000-certified company, FlenTek needed to recertify to assure its OEM customers they could continue to meet quality standards. SAP provided a simple way to access all FlenTek's process information for quick ISO recertification.

Lewis and his team wanted four things from a new ERP system.

- 1.** A solution that could connect directly into the workflows of their large OEM customers and "speak the same language"
- 2.** Cloud-based 'everything' to eliminate downtime associated with upgrading software
- 3.** Process mapping to streamline ISO recertification
- 4.** A solution that automated as many processes as possible.

SAP Business One in the Cloud Wins for OEM Relations

Lewis and his team evaluated several small and mid-sized business ERP systems that promised manufacturing functionality. They chose SAP Business One because it met FlenTek's core selection criteria and streamlined operations Lewis's team hadn't targeted for improvement.

Resellers can provide a cloud-based, customizable version of SAP Business One, and because FlenTek's biggest OEM customers have standardized on SAP, it was easy to establish seamless communication flows—aka to “speak the same language.” For faster ISO recertification, SAP Business One maintains process flows and maps automatically, enabling any user with access privileges to see how specific processes flow in real-time.

After testing SAP Business One, Lewis was excited to discover two additional features that would serve FlenTek well. SAP Business One's MRP function would enable FlenTek to receive orders from OEM customers, run the MRP function, and instantly see what FlenTek needed to purchase to fulfill the orders. SAP Business One also allowed for bills of materials (BOMs) creation and storage. Easy BOMs were critical because FlenTek customers rely on quick fixes to their complex products, such as airport belt loaders, that require spare parts and servicing. Quick BOM lookups help FlenTek respond faster to in-field service requests. “Most of the other software we looked at didn't have those features,” said Lewis.

Fast Recovery From a Prior Implementation

While SAP Business One in the cloud was the ideal ERP solution for FlenTek, the initial implementation partner was not. “Our first implementation partner didn't set us up right. They also got caught by ransomware, and we were shut down for an entire week,” stated Lewis. “We went to the cloud to avoid problems like that.”

Lewis called SAP, which referred him to Vision33, SAP's largest and most experienced SAP Business One partner. Vision33's ERP and accounting experts soon identified improper setup of the technology and accounts. “Vision33 cleaned up our financials, resolved our issues with our CPA firm, properly modified SAP Business One, and moved us to the Amazon cloud. It's been running smoothly ever since,” explained Lewis. “And the level of security with SAP is light years ahead of what our legacy ERP provided.”

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Engine Control Systems

Full-Featured ERP Delivers Massive Benefits

Post-implementation, SAP Business One benefits FlenTek across the entire business. People are more productive because the cloud offers access to the system from anywhere with an internet connection. “We also don’t have to leave office computers on 24/7 to access remote desktops,” added Lewis.

As an official business partner to its OEM customers, FlenTek intakes part numbers into SAP Business One, and each customer’s part numbers automatically appear on every document associated with them. “Now, I run MRP, and it works.” He noted that Version 10 of SAP Business One will deliver even better customer experiences via expanded EDI functionality that will help customers understand their special pricing and how it relates to specific part numbers.

Internal Time Savings

SAP Business One’s BOM functionality has helped FlenTek manage its entire process. “The BOM gives us everything we need to order and the ability to control what gets loaded together,” said Lewis. “We stopped having notepads of all the products and serial numbers. SAP Business One has fantastic serial number control.”

Lewis also cites a dramatically streamlined ISO recertification process using SAP Business One. The system allows him to speak with auditors in the terms they’re accustomed to, with the detail they expect. “SAP Business One really helped us. When asked to show FlenTek’s sales and purchasing processes, Lewis showed them in just a couple of clicks, quickly satisfying the auditor. Lewis recalled, “That alone justified our investment in SAP Business One for an entire month.”

More Time to Focus On Growing the Business

Now that SAP Business One has automated many of the core finance and production planning processes at FlenTek, Lewis and his colleagues spend more time engaging customers and growing the business—and it has paid off. By the end of the company’s first fiscal quarter, the team had generated 70% of a typical full year’s revenue. “We got out of the business of maintaining software,” said Lewis. “It’s loaded in the cloud, and all I have to worry about is my Dell account.”



DC Motor Controller Systems



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Vision33 (www.vision33.co.uk) helps growing companies deliver on the promise of technology through enterprise resource planning (ERP) solutions, including SAP Business One and Sage Intacct, automation, and integration solutions. Vision33 has the people, processes, and technology to help businesses solve everyday challenges and seize new opportunities for growth and transformation. With proprietary solutions such as iDocuments and Saltbox, Vision33 helps businesses leverage the right transformative technology for their digital transformation journeys.

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