

Peerless Industries manages growth with IFS Applications™

Peerless Industries, Inc., is a leading manufacturer of video and audio mounting systems, including mounts for TVs, VCRs, plasma screens, LCD projectors, speakers, LCD TVs, security cameras, and computers. The company sells directly to consumers as well as to installers, dealers, and distributors. The company's products are used in a variety of settings, including restaurants, stadiums, racetracks, health clubs, retail stores, schools, and hospitals. The company is headquartered in Melrose Park, Ill.



The challenge

Peerless Industries faced a fortunate problem: The company was growing at a rate of 12 to 15 percent per year, and its existing enterprise system was inadequate to keep up with the sustained growth.

“We pride ourselves on customer service and promise a maximum two-day turnaround from order to delivery,” said Joe Mitchell, Peerless Industries Director of Information Systems. “With our steep growth curve, it was becoming quite a struggle to maintain the production schedule and inventory turns needed to keep that commitment to our customers.”

One major problem with Peerless’ existing enterprise system was that it was poorly integrated. It was hard to share information between the manufacturing and financials components, and the monthly closing of the financial books took longer than desired.

“The lack of integration within our system was especially troublesome because we have a site in Mexico,” Mitchell said. “Normally, we treat this site as a separate company, but sometimes we need to combine and share information, which was very difficult to do.”

Peerless’ existing system also did not suit its style of manufacturing. The company forecasts demand based on previous demand and then promises two-day

turnaround to its customers. This process requires a great deal of coordination—suppliers must make the material available when it’s needed, and manufacturing reports must be generated to maintain the shipping schedule. Much of this work was being done manually using spreadsheets. “It was a painstaking process,” Mitchell said.

The company’s sales and marketing personnel had additional reasons for wanting to replace the existing enterprise system. They needed a more efficient means of gathering sales leads.

“Often, these leads were duplicated, resulting in multiple mailings to the same person,” Mitchell said. “Sometimes the information was sent to the wrong department within a company, or it was sent to only one person in the company when it should have been sent to several. We needed a system that allowed us to associate multiple contacts, including titles and addresses, with a single customer.”

The sales force also needed an easily accessible, centralized repository of customer account information. This information resided on individual PCs, making it awkward to manage, difficult to share, and nearly impossible to standardize. Salespeople could not access customer account information remotely, making it difficult for them to prepare for sales calls.

The solution

Peerless Industries decided to replace its existing enterprise system with a modern, fully integrated system. After evaluating products from several enterprise software vendors, the company chose IFS Applications™.

“We wanted a system that would be with us a long time—a product from a good stable vendor that would allow us to add functionality as we need it,” said Mitchell. “We didn’t want to have to do another ERP implementation in a few years. We also knew that IFS would be offering a number of e-business enhancements that would be useful to us down the road.”

Peerless Industries chose to implement IFS software in phases. In 2000, the company went live with IFS components for manufacturing, distribution, financials, quality management, human resources, and document management. In mid-2002, Peerless purchased the sales and marketing component. It has future plans to add IFS’ e-business and engineering project modules.

Benefits

Since implementation, Peerless Industries has realized a wide variety of benefits, both tangible and intangible. “One of the most significant indicators of success has been that we have been able to maintain our traditionally high level of customer service in the face of tremendous sales growth,” Mitchell said. “With IFS Applications, we can generate all the reports we need to ensure a turnaround time of two days or less.”

Peerless’ accounting staff and management are pleased that IFS has enabled them to shorten the monthly closing time and to consolidate financial information from multiple sites and companies as needed. Because Peerless has a plant in Mexico, the product’s ability to handle multiple currencies and exchange rates has been a major benefit.

For the sales and marketing departments, IFS Applications will make it easier to gather and act on sales leads. When the company’s marketing people go to trade shows, they will be able to swipe their ID cards and download sales leads directly into the

system. This information will be used to send or e-mail product announcements to existing and prospective customers.

Salespeople will be able to access a single database of customer account information, whenever and wherever they need it. With one phone call and a couple of mouse clicks, any salesperson in the field will be able to see real-time data on account activity for the customers he or she plans to see the next day. If a customer has credit issues, the salesperson will know about them instantly. As soon as the salesperson finishes a sales call, he or she will enter notes into the system about any quality issues the customer has identified, and if necessary, someone from the quality-assurance group will contact the customer immediately.

“One thing our salespeople are especially happy about is that they will no longer have to prepare weekly or monthly sales reports,” Mitchell said. “All they will have to do is enter notes about each sales call, and the reports will be generated automatically. What’s more, we will have a complete sales history in the system for each account.”

The sales and marketing module will also improve productivity by helping product managers communicate with engineers about customer requests relating to custom or new products.

Mitchell said that the company is excited about future plans to add IFS’ e-business components. “Soon our dealers and distributors will be able to enter orders directly into the system and check the status of orders and shipments. Everyone will benefit.”

Software

IFS Manufacturing™, IFS Distribution™, IFS Financials™, IFS Document Management™, IFS Quality Management™, IFS Human Resources™, IFS/Sales & Marketing™

Hardware

HP LXr 8500 server, SCO Unixware operating system
Oracle database, version 7.3.4