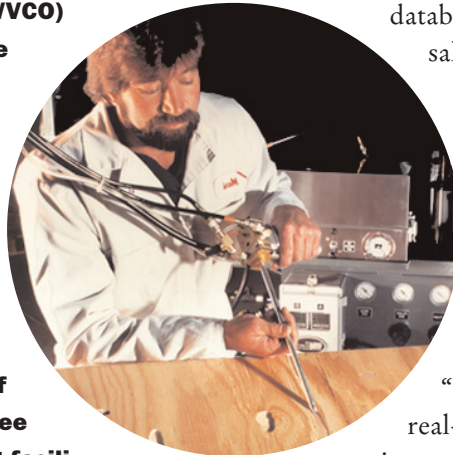


The Willamette Valley Company discovers new revenue opportunities with IFS

The Willamette Valley Company (WVCO) supplies goods and services to the wood-products industry and retail markets. Since its inception in 1952, the Eugene, Ore.-based company has grown from a small entrepreneurial distributorship into a 300-employee manufacturing firm. Today, it consists of five divisions and three subsidiaries built around a base of eight manufacturing locations; three R&D laboratories; two engineering facilities; and marketing, sales, and service organizations supporting sales worldwide. The company's products include synthetic patching compounds; wood putties; paints, sealers and primers; specialty coatings; and precision fluid-management equipment. Its well-known brand names include Amazing Goop™, Shoe Goop™, E-6000™ adhesives, Famowood™, and Wood-Tex™ fillers.



The challenge

WVCO's five divisions use a variety of production environments: some employ make-to-order, others use make-to-stock, and still others switch from one environment to another to meet customer demands. Although some divisions are involved in discrete manufacturing, most are in the process industries. This presented a challenge because the company's legacy systems lacked the flexibility to handle the diverse types of manufacturing.

To complicate matters, WVCO's legacy systems were batch oriented and poorly integrated. The company's information platform included three large

databases—one each for accounting, sales, and manufacturing—that didn't communicate well with one another. Some critical business information was stored on individual PCs.

"Our target was to provide a smarter, more meaningful, and more timely information platform," said Gerald Nakamura, WVCO's chief information officer. "We needed a centralized base of real-time information to help our executives make faster, better decisions."

WVCO saw its customers and suppliers as the critical bookends of its business and wanted an enterprise system that would satisfy the needs of both.

"We needed to make procurement and dealing with our suppliers as easy as order fulfillment and customer service on the customer side," Nakamura said.

The solution

WVCO formed a team of 10 managers to research, evaluate, and recommend a new system to the executive committee. Initially, the evaluation team considered incremental improvements to the existing systems but soon realized that a new enterprise system would offer far better payback. After an 18-month search, the team recommended that the company purchase IFS Applications™, concluding that only IFS could provide both the functionality that the company needed and the flexibility that it desired. The executive committee approved the recommendation.

The decision to purchase IFS Applications went beyond tangible considerations: The evaluation team felt strongly that IFS was a good fit because its corporate style matched WVCO's own.

“A critical part of our decision revolved around our feeling about IFS and its people,” Nakamura said. “We have a philosophy of partnering with our customers to find solutions that benefit those customers. IFS has a similar approach—they want to be an integral part of our business.”

The implementation

WVCO implemented IFS Applications in a three-tier architecture using Dell™ servers and clients. A database server handles the Oracle® database. Other application servers, using Citrix® products, handle the IFS modules, which run on the Microsoft® Windows® 2000 operating system. The financial applications at the company’s headquarters manage the business processes. The manufacturing, distribution, and supply-chain components handle the local facilities and production processes.

The implementation team concluded that, to ensure success, the new system would need to be implemented in 120 days or less per site. With about half the sites implemented thus far, the work has been on time and under budget, and at no time was it necessary to run the new system in parallel with the old one.

“We’ve been making the change using the classic ‘throw the switch’ methodology,” Nakamura said. “Still, the transition has been seamless, with no disruptions to our customer or supplier relations.”

The benefits

The most important proof of the IFS implementation’s success is that it was virtually invisible. “Our goal was to take orders, manufacture our products, and ship on time without our customers noticing any difference in service,” Nakamura said. “And we were successful at this.”

For the first time, the IFS software has enabled WVCO to spread best business practices and processes throughout the enterprise. Personnel in all divisions, representing diverse functional areas, are following consistent processes. This, coupled with the software’s ease of use, simplifies cross-training.

“IFS Applications has been even more intuitive than we had anticipated—basically it’s foolproof,” Nakamura said. “We are especially pleased to have used IFS Business Modeler™ to map our new processes. It was a lifesaver to us, and I would recommend this tool to anyone.”

Nakamura said he has been especially impressed with IFS’ forecasting and analysis tools, which allow personnel to concentrate on tasks that are most critical to the operation of the business. Also, the IFS software has brought the company’s manufacturing facilities in Georgia and Louisiana in closer touch with headquarters. Personnel at these facilities can now access real-time information that shows what is being planned and helps them forecast manufacturing and distribution requirements. Financial and manufacturing data are shared throughout the enterprise, and reports can be generated instantly.

“Ultimately, the goal of an enterprise system implementation is to provide opportunities for increasing revenue, and we’re already seeing that,” Nakamura said. “With IFS, we’re much nimbler in response to market demands, which has led to increased sales. And if there’s a problem—say our margins are down and we need to know why—we have the real-time data to pinpoint the problem and fix it immediately.”

WVCO’s recent success has received independent recognition: Start magazine placed the company in the top half of its 1000 Admired Manufacturers list for both 2001 and 2002.

Software

IFS Manufacturing™, IFS Distribution™, IFS Engineering™, IFS Financials™, IFS/Project Reporting™

Hardware

Dell™ PowerEdge™ 4500 server, single 550-MHz Intel® Xeon™ processor, Microsoft® Windows NT® 4.0 operating system
Oracle® database, version 8.0.5