Acumatica's Flexibility Propels K9 Manufacturer's Growth and Strategy

OVERVIEW

Since 1948, Ray Allen Manufacturing has been a leading manufacturer of canine equipment for military and police departments. Owned by private equity firm Benford Capital Partners, the firm has grown rapidly through organic growth and recent acquisitions. Realizing the company's legacy AS400 system was holding his company back, Steve Cates, President (prior) decided to implement Acumatica to gain better insight into the company's operations and build a platform for future growth.

KEY RESULTS

- Streamlined operations
- Better management of inventory levels
- Improved customer service
- Gained deeper insight into operations for better decision making
- Established strategic platform for rapid growth

SITUATION

Ray Allen Manufacturing, LLC is the leading manufacturer and direct marketer of professional canine training products to law enforcement, military and working dog niche markets in the U.S. The company sells through its catalog and online site to canine professionals in the male dominated markets of law enforcement, military, homeland security, correctional, professional security and drug enforcement fields.

For most of its 70 years in business, Ray Allen Manufacturing has focused on the military and police markets. About 40 percent of the products the Colorado Springs company sells are made in its 25,000-square-foot warehouse, says Steve Cates, President. In 2009, the company bought a competitor, Signature K9.

Three years ago, the company diversified further within its dog niche, buying Illinois-based J&J Dog Supplies, which makes products for dogtraining clubs, schools, kennels and individual trainers. J&J's products are primarily used in dog agility and obedience competitions. Like Ray Allen, its products are also sold via catalog and online, but its sales are predominantly to women.

Finally, Ray Allen Manufacturing also operates Ray Allen B2B, an online password-protected brand that works with large institutions, has an Amazon store, and will soon be launching its online brand GunDog Direct. "We are growing at a pretty good rate, but we were running two different systems, with two different inventories," says Cates. Because the company's strategy includes future acquisitions and rapid growth, they realized new additions would be difficult to integrate with their legacy system.

The AS400 system "with a green screen" also wasn't performing like the growing company needed. It didn't integrate well with its eCommerce software. It also created a new customer account every time there was an online order, which meant someone had to go in and manually consolidate accounts on a regular basis, a job that took time when names didn't match exactly. The legacy system also didn't include a manufacturing module, so Cates and others lacked insight into production effectiveness, inventory levels and manufacturing schedules.

"We have a lot of legacy knowledge—our average employee has 12 years of experience—and we really wanted to hone in on that to grow the business," Cates says. "We also wanted to expand on the technology side and add a CRM. At the double-digit rate we are growing, I felt we needed to upgrade our systems now rather than wait and try to do something at a stage of desperate need."

Cates is a veteran at ERP implementations, having experience with Sage and Oracle, and he's overseen multiple website migrations. Understanding that planning is key to a successful ERP implementation, he researched the market for a year—at the same time researching manufacturing software and website platforms—before choosing Acumatica's cloudbased ERP.

Company
Ray Allen Manufacturing
www.rayallen.com

Industry
Manufacturer and Online Retailer of Canine Equipment

Location
Colorado Springs, CO

Products
- Acumatica Manufacturing Edition
- Acumatica Financial Management
- Acumatica Distribution Management
- Kensium Magento Connector
- Acumatica Customer Management
- JAAS Advanced Manufacturing Software (JAMS)
- Magento Commerce Platform

SOLUTION

The company wanted a flexible system, one that didn't restrict operations. They wanted technology that integrated well with best-of breed applications, including manufacturing and eCommerce systems. Cates says he also wanted a CRM, powerful reporting and most important—the ability to run multiple companies from a singular inventory.

"We wanted to avoid boxing ourselves into a closed system, which was really important," he says. "We wanted something with a robust foundation; something that would allow us to expand, rather than limit us."

He considered NetSuite, which Signature K9 used; Sage, which Cates had experience with; Mail Order Manager, which J&J used, and briefly considered Epicore Software Corp., which was quickly eliminated due to its pricing structure. The company was reviewing NetSuite when the systems integration partner suggested Acumatica might be a better fit, Cates says.

"I had not heard of Acumatica but started doing some homework and looking at demos," he says. "I quickly realized Acumatica's open platform was well-aligned with our company's goals."

Cates hired M2 Technologies to help them with the ERP implementation, which started in late 2015. Besides implementing Acumatica, Cates added JAAS Advanced Manufacturing Software (JAMS) and moved its web operations to Magento, which meant multiple partners and increased complexity.

"We had to coordinate all three implementations and did a lot of the heavy lifting ourselves," Cates says. He reorganized customer segmentation and other functions, for example. "You can't really hand that data off to the partner," he says.

"You have to understand the data, and know what you are looking at. We used Matt Marks at M2 Technologies and Acumatica for guidance and when we got stuck, and both teams were great."

Acumatica's flexibility paved the way for a smooth transition to going live with Acumatica SaaS in April 2016. "We didn't have to move heaven and earth to do things like changing tables. Having control of the data to upload and test meant we could be more hands-on."

BENEFITS

Streamlined operations and robust reporting leads to continued growth

Acumatica, paired with JAMS and Magento, streamlined Ray Allen Manufacturing, providing insight into operations, which allows the company to better serve customers which in turn increases revenues and profits.

"Acumatica's integration with our websites and the ability to better track customers was great for us," Cates says. "Reporting is very robust and the ability to create reports specific to us is huge. Now that we have a CRM, we are creating an outbound sales division and doing account management, which was hard to do before because we had no central resource for data."

Ray Allen's team eliminated many manual paperbased tasks, including putting tracking numbers on shipments and manually notifying customers of tracking numbers. Picking and packing slips now include branding, and incoming orders automatically flow into Acumatica and are matched with previous customers on repeat orders. Order response emails automatically include tracking numbers.

"Having accounting from our various subcompanies rolled up is more efficient," Cates says. "Better reporting makes us a better company overall."

Acumatica's mobility capabilities allow Cates to log in from home without a complicated log in process, and allow several remote workers to perform tasks without assistance.

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>
> – Steve Cates,
> President,
> Ray Allen Manufacturing (prior)

Acumatica provides deeper insights into operations, customers

Acumatica helps Ray Allen Manufacturing serve its customers better, he adds. "Knowing who our customers are and knowing their value and which channel they order from is very important to us. It also gives us a much better grasp on inventory so we can make sure we have the products when our customers need them."

Acumatica has also paved the way for faster processing of returns and better customer service because the call center team no longer has to toggle between two screens and two different financial systems.

"I estimate the call center has saved 25 percent of its time; the distribution team has saved 20 percent, and finance and marketing 10 percent," Cates says.

The accounting team has gained confidence in the manufacturing numbers Acumatica provides, a level of trust that the company didn't have with its legacy software. "Having the entire ecosystem all together allows us to run more definitive reports and we can move forward based on that data rather than spending time going to multiple applications to verify the data," Cates says. "Each day we go quickly into action, which sounds like it should be routine, but on an older legacy system that's not always the case."

Navigation so easy it's like following a bouncing ball

Acumatica is very intuitive and easy to use, Cates says. "When you use Acumatica, it's almost as if you follow a bouncing ball down the path you need to go. This makes it so easy, using the software becomes second nature." Those paths are not rigid, but can be customized to the way a company does business, and the way an individual works, he says. "Having access to the data points in reporting and being able to pull the data easily are also incredibly important and easy to do."

Open, flexible system paves way for future growth

Says Cates, "The fact that Acumatica offers an unlimited user license was important to us a company that's looking to grow, organically as well as acquisitions, because it allows us to expand without having to contact the vendor and renegotiate for new users. We can just keep the business moving and move forward quickly and easily."

Cates also praises Acumatica's robust features and flexibility, which allow him to use best-of-breed applications as he sees fit. "The strength of Acumatica is that it's an open system that's flexible and integrates well with other applications. That gives us a lot of control to run our business the way we want."