

With Acumatica Manufacturing as its Foundation, Sheoga Hardwood Flooring Builds for the Future



OVERVIEW

For more than two decades, Sheoga Hardwood Flooring, which processes green timber into custom hardwood floors, used Macola as its financial package and several other applications to run the business. As the company grew, the lack of inventory transparency, constant crashes, and difficulty tracking orders in the legacy software took its toll. Sheoga deployed Acumatica Manufacturing, a cloud solution that offered end-to-end data visibility, accurate inventory management and a product configurator. The platform streamlined operations, increased efficiency, and helped Sheoga lower its labor costs.

KEY RESULTS

- Deployed a connected, manufacturing ERP platform that increased efficiency
- Gained real-time visibility into inventory, eliminating manual physical counts
- Improved inventory management providing in-stock and replenishment data while lowering inventory levels by 40 percent
- Gained Bill of Materials, improving operations and providing critical KPI data
- Streamlined and formalized shop floor operations
- Acquired product configurator that provides insights into top products by wood type, size, and stain color
- Gained trust and confidence with accurate data
- Improved customer service with real-time data
- Acquired easy-to-use, intuitive data search system saving employees' time
- Reduced office staff needed to process data, and lowered labor costs
- Acquired data-driven platform on which to grow efficiently

CHALLENGES

Sheoga Hardwood Flooring makes sustainably sourced, handcrafted hardwood flooring, sourcing harvested green timber, kiln drying it, and precisely milling it into the highest quality hardwood flooring. They mill it to a custom size, discard defects, package, and ship it. Sheoga sells the flooring through dealers, distributors, contractors, retailers and to end customers who shop at their on-site showroom.

Located in Middlefield, Ohio, the 42-year-old company is home to the world's fourth largest Amish settlement, and known for its significant manufacturing base, which includes Gold Key Processing, Inc., Duncan Toys and KraftMaid. The company is an offshoot of Hardwood Lumber, and Chief Operations Officer Larry Yoder Jr. was among the Sheoga Hardwood founding group.

For more than two decades, Sheoga Hardwood Flooring used a legacy program called Macola Technologies, which was bought by Exact Software in 2001. As Sheoga Hardwood grew, the lack of inventory transparency, constant system crashes, and difficulty tracking orders in the legacy software took its toll.

In addition to Macola, Sheoga Hardwood used a standalone application called YardMaster to track the green lumber it receives, which Sheoga buys in bulk from timber companies within a 150-mile radius. The usable lumber is kiln-dried, evaluated for defects, cut into various lengths, and then was entered manually into Macola as inventory.

The wood then goes through the finishing process, which includes a defect inspection, finishing stain and sealing application. Then an order is packaged and shipped. "The true scrap made during production goes through a grinder, is stored in silos and gets used as boiler fuel to heat company buildings and run our kilns," says Yoder.

Company

Sheoga Hardwood Flooring
<https://sheogaflooring.com>

Industry

Manufacturing: Hardwood Flooring

Number of Employees

Approx. 80 employees

Location

Middlefield, Ohio

Products

Acumatica Manufacturing Edition with:

- Inventory Control
- Order Management
- Discrete Manufacturing
- BOM and Production Management
- MRP
- Product Configurator
- CRM
- Shipping Carrier Integration

Customer Social Sharing Details



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Partner Details

parallelsolutions

Parallel Solutions
www.parallelsolutions4u.com

Inventory: Not live, Not Accurate, Outdated

Operating without knowing its inventory caused a number of problems. “In Macola, the inventory was not live,” says Yoder. “It was not accurate and was always outdated. We were not consuming material until it was invoiced, and we were basically relying just on physical inventories.” By the time a physical count got to the office, it was already outdated, he adds.

“My biggest frustration with the Macola system was we had a tendency to always be late with sales orders because there was just no visibility, and there was just no tracking,” Yoder says. “All of a sudden, the order was due and there was nothing to trace it or to see that it’s going to be due next week. It was all just manual paper trails and that caused a lot of frustration.”

Customer service suffered as well. Promised a delivery date, customers called to learn the status, which Sheoga couldn’t provide. “The staff struggled, shuffling through papers to try to find the order and trace it down, and then realized we couldn’t produce the order because we don’t have the blanks to do it,” Yoder says.

With no inventory visibility or tracking, sales operated off of out-of-date inventory lists, which often led to longer than optimal deliveries to customers, says Charmaine Kepes, Accounts Receivable Manager and System Administrator. “Without visibility, salesmen would sell product that was already spoken for because orders didn’t show up in the system until after they were invoiced, so inventory was always off.”

Kepes, who has been with Sheoga for more than 22 years, was one of only a few that knew how to manipulate Macola, which operated on on-premises servers. The program wasn’t easy to use, finding the desired data was difficult, and exporting it also took a long time, she says.

When she wasn’t trying to find information for executives, she was on the phone relaying what little inventory she knew of to the sales team located around the country. Without access to Macola, they didn’t have access to the data they needed. Trying to see if there was enough flooring to meet a customer’s specific needs was difficult.

Creating new items in Macola would take a few hours, Kepes says. Long ago she created a “vanilla” item that she could use as a template. Then she would talk to the salesman to see what the customer actually needed, and which blanks to use to create the new number, which took a few hours, she says. This information was then entered as an item and became a quote.

Once a sales quote became an order, the production tickets were handwritten on paper and taken to the shop floor to be completed. Kepes did not have any visibility into the status of a customer’s order during the manufacturing process. When a customer called about an order status, the information wasn’t readily available. Sometimes production orders got lost. When production was complete, the shop then had to tell the office staff.

Most of the company’s reporting was also created manually with multiple exports that were then analyzed and consolidated into manual reports, says CFO Nic Farrant, who joined Sheoga more recently, and is familiar with many financial applications.

“Macola was by far the hardest that I’ve ever worked on trying to dig out information from the reports and each time that I needed something different, I would have to go to either Charmaine or we would even have to go to an outside source to help us create a new query,” he says.

Closing a month in Macola was difficult, he says. “You had to do it on the day of, which is not how I’m used to doing that because you get bills in after the end of the month and can’t really close. You could kind of see where you’re at, but you couldn’t really close it out completely. In addition, I had to remote into the system, and it didn’t always work, so that was a little bit more frustrating.”

Frustrated with the lack of visibility into inventory and other operations, Sheoga executives hired a consultant to help it find a new solution. They evaluated Sage One, Oracle NetSuite, and Acumatica, among other ERPs.

After viewing demos, executives agreed to deploy Acumatica Manufacturing, choosing it for its ease of use, flexibility, and inventory management, and knowing that its technology partner was familiar with Acumatica. Parallel Solutions is a gold certified Acumatica Partner and had worked with Sheoga for many years.

“Jeff and Laura understood Macola, so they were able to take our databases and import a lot of information. It wasn’t that we had to start from scratch with data entry; they were able to pull in that information,” Kepes says.

Yoder says “some of the bigger reasons were the ease of use, the flexibility of the software system, the setup, and the ability to make changes to the system. It was just far above what we had expected and what we were used to using.”



“The ability that we have to create our own dashboards, shipping dashboards and others, is huge. Our inventory on the shop floor is 40% less than it was two years ago. All because Acumatica gives us the ability to see actual live numbers.”

– Larry Yoder,
Chief Operating Officer,
Sheoga Hardwood Flooring

BENEFITS

To say Acumatica transformed Sheoga Hardwoods operations would be an understatement.

The company gained visibility into all areas of the operation and finally had real-time inventory management, which streamlined workflows and gave sales the tools they needed to sell hardwood flooring to more customers.

“With Acumatica, the number one benefit is true accurate data,” Yoder says. “With Macola, nobody trusted the system. Going from Macola to Acumatica, there was a transition period where trust had to be earned. They had to use it, they had to be part of it, and over a period of time, they realized these numbers are accurate; we can trust them. Whatever the system’s saying is accurate.”

Equally important, Sheoga solved one of its biggest headaches, says Farrant.

“We were able to see where our orders were, and our inventory levels,” he says. “It’s easier to do a count based on what we think we have in the system on the financial end. The ease of use was great. It takes a little less time to do a bill run, less time to go through the financials, and find, and dig into account details.”

“Inventory management is such a huge, huge improvement,” adds Yoder. “Inventory management, scheduling, replenishment levels... We have the ability to see where our inventory levels are, and our backlog on the sales order front.”

Real-Time Inventory Information

Those insights are possible because new inventory information shows up in Acumatica as soon as boards are ripped into blanks and before kiln drying. Previously, new inventory would not be entered into Macola until after it was kiln dried, a process that takes several days to several weeks depending upon the type of wood and desired moisture level to be achieved.

“With the ability we have to create our own dashboards, shipping dashboards, it is just a huge difference,” Yoder says. “If you go out on the shop floor, the inventory that’s sitting out there today is probably about 40% less than it was two years ago. Just all because of having the ability to see actual live numbers.

The sales team sees that new inventory sooner without having to call Kepes or wait until she sends an updated inventory list, which she used to do several times a week. Understanding when the hardwood flooring might be available allows sales to sell and properly convey shipping information to customers faster.

The production shop now receives a bill of materials created by the product configurator so they know exactly what components are needed to fulfill a customer order. The team does not have to wait for Kepes to create part numbers. The bill of material tells them the exact wood needed, what finish will be applied, and the exact lengths required.

Gathering this information across customers allows Sheoga to accurately track the raw materials used, including the wood species, grades, finishes, adhesives, and subassemblies needed. Having this data allows the team to forecast material needs, preventing over or under stocking, which can tie up capital or delay schedules if a product needs to be reordered.

By better understanding buying trends, the BOM data helps Sheoga understand what’s needed, and helps it make informed purchasing decisions.

Faster Sales Quotes with Product Configurator

Sheoga didn’t really have a shop process prior to deploying Acumatica. “The shop process is something that we added,” says Yoder. Previously, paperwork would go to shop and not come back until the order was completed. “Now as we go through the steps, it gets reported. So if somebody wants to look up an order, they look it up and see the status of the order.”

Sheoga gained Acumatica’s product configurator, which allows the company to preload information such as different finishes, sizes, and wood types so sales and others can quickly create tailored flooring orders without having to make a BOM for every possible variation. Being able to choose from a number of configurations allows sales to create quotes and orders faster and by themselves.

“The product configurator is a game changer for us,” Kepes says. Sales chooses items from drop-down menus in the configurator, which has unlimited options. “They can put it in as engineered wood, solid wood, by grade and width,” Kepes says. “We offer from two and a quarter up to 11 and a quarter inch wide. Then we have standard and non-standard finishes.”



“The product configurator is a game changer for us.”

– Charmaine Kepes,
Administrative Assistant,
Sheoga Hardwood Flooring

The product configurator also provides the proper price for all the options and item numbers selected. Once a quote is requested and then approved by the customer, the quote data is automatically transfers to a bill of material, and then items are automatically deducted from inventory and reserved for that order. Sales can no longer sell the same inventory twice, and the system has a set of rules that don't allow sales to sell items and combinations that the company doesn't offer.



Reduced Overtime & Labor Costs

Sheoga employees and executives have saved a lot of time using Acumatica, which they say is easy-to-use and learn, and intuitive, two items on their desired wish list for a new system. Just how much time individuals have saved is hard to calculate, they say. That said, Kepes' husband might be able to hazard a guess.

"When I arrive home by 5, my husband says I'm early," she says. "I'm not working overtime like I used to. I should have been coming home at 5 p.m. all these years, but I would stay late to make sure all the data was put on the system so the salesmen would have the information the next morning. Now that's done through the system."

Sheoga reassigned two people in the office to other duties because their previous paper-shuffling jobs are now handled by automated workflows in Acumatica. For example, one person doesn't have to collect paper from the shop when a production order is complete. "At one point we had one person scheduling the solid orders going to the shop," says Yoder. "There was a funnel person from the sales staff to the shop, and one person was doing the engineering and that all goes through one person now. That was a huge, huge time saver."

Farrant no longer has to ask Kepes to pull data; he can do it himself. "It's definitely a lot easier to pull the data that I need and quicker," he says, adding he also likes several of the pre-made dashboards Acumatica offers, as well as the ability to make his own. "Some of the dashboards have graphs and other items are already there for us. With Macola, we would have to dig all that information out."

He closes out months faster and likes that the cloud-based software allows him to pull up information and work from home. "Now that we have Acumatica, I'm able to literally work from anywhere. Just last week the owner called and asked a question. I was on the golf course and I was able to pull up my phone and give him the information he wanted."

Farrant also likes that Acumatica has helped the company go paperless. "The drag and drop feature into AR into AP allows your files to be attached to your bills," he explains. In Macola, he had to scan paperwork into the system and then attach each file separately. "It was a lot harder process and more time consuming than it was worth."

Faster Invoicing

Kepes handles accounts receivable and invoicing, both of which are faster with Acumatica, she says. Searching for data is also easier, which has saved her time while increasing customer satisfaction. "If a customer calls and asks for a copy of an invoice, it's very easy to actually send them a copy," she explains. "I can just go to the invoice and hit forward or send. In our old software, I had to pull the invoice out of the drawer, scan it, save it, and then forward it from my personal email rather than from within the software. So that's time that has been saved. When a customer calls and asks 'How much do I owe?' I can pull up an aging in two clicks. It used to take me a few minutes to get to the right screen to get to the right information. Now I can just do it in two clicks."

Continuous Growth Plans

Sheoga is now working with Parallel Solutions to roll out Acumatica's CRM and further improve its shipping processes. A true testament as to how much Acumatica has helped Sheoga is the fact that its sister company, Hardware Lumber Company, is in the process of deploying Acumatica, says Farrant, who is also Chief Financial Officer of the Hardwood Lumber company.

"Our production is up from where it had been a couple of years ago," Yoder says. "We have ambitious growth plans that we would not be able to have without Acumatica."