

Sierra Paints a More Profitable Picture

Under the sea, beneath beefy semi trucks, and baking out in the desert sun, you'll find Sierra Corporation's paints and coatings doing their work. Sierra manufactures custom paints, coatings, and sealants for architectural and maintenance applications. One day its chemists might design a protective coating for marine bolts for an aluminum substrate firm. The next day they could be developing a nonfade ultraviolet-resistant paint for lawn furniture.

Sierra Corporation's special-purpose formulations and speedy turnaround for customers have resulted in amazing growth. Today the company is more than four times its size a mere ten years ago. Industrial paints from its subsidiary, TK Products, are increasingly requested by customers nationwide.

Improving System Formulation

More than 5,000 different raw material items jamming Sierra's inventory shelves are required by the chemists to formulate 10,000-plus finished products. For ten years the materials had been managed by Batchmaster, a comprehensive process manufacturing solution, and the company's business systems had been handled by Platinum for DOS. A year ago, Sierra decided to upgrade to Sage PFW ERP for tighter integration, a better user interface, Windows-based reporting features, and access to multiple data input screens at once.

The Ideal Formula for Success

"Sage PFW is the workhorse for our daily operations," says Mike Grivna, senior chemist. "All of our formulations are now done on computer, where we store data on raw materials and information on physical properties and characteristics. The system tells us recommended pigment-to-binder ratios or volume concentrations, and then calculates formulation parameters. This saves an enormous amount of time, and provides a more accurate product for customers."

Customer

Sierra Corporation

Industry

Manufacturing—Paint and Coatings

Location

Minnetonka, Minnesota

Number of Locations

One

Number of Employees

70

System

Sage PFW

Modules in Operation

Costing
Formulas
Laboratory
Inventory Pro
MSDS
Order Entry Pro
Production
Purchasing Pro
Accounts Payable
Accounts Receivable
Bank Book
Crystal Reports®
Customization Workbench
General Ledger
Microsoft® FRx

Challenge

Financial system was incompatible with manufacturing system and could not calculate income or losses on individual products, and therefore was inefficient.

Solution

Sage PFW ERP process manufacturing and financial solutions, including Accounts Receivable, Accounts Payable, and General Ledger.

Results

Full integration and automation from A to Z; precise, flexible formula management; automatic formula updates to MSDS; improved batch consistency; instant data access; cut order processing time by 50 percent.

Once a formula is created, Sage PFW checks available inventory, sizes the batch for the ticket, issues a production ticket, and commits raw materials. It creates a batch ticket with instructions for mixing, filling, and labeling. Then Sage PFW automatically prepares material safety data sheets (MSDS) for each product shipped to a customer as required by law. The system updates the MSDS whenever a formula changes, a crucial timesaver given that Sierra has nearly 20,000 formulas. The SARA reporting option within Sage PFW calculates SARA Tier II and III reports for compliance with federal OSHA mandates.

Sierra's chemists use Sage PFW all day long to tweak individual formula ingredients and improve profitability. "Each paint represents a compromise between performance and cost," Grivna explains. "Our system lets us make adjustments to get every last dime out of our product without sacrificing quality."

After production is closed on a paint run, data flows directly into Inventory Pro and is made available for Order Entry Pro, which is the key to inventory management. After the invoices are printed and posted, data is then moved into Sage PFW financials for complete integration. "Before we had to hand-enter information from one system to another," says Adrienne Olson, Sierra's controller. "System integration has eliminated this task and cut our total order processing time by about half. What we have now is a 100 percent improvement."

She says customer service is better now, too, because any information that representatives need is available at the touch of a button. "All of our data is tied together in one place," she notes. "We know which items are in stock, and can give customers accurate lead times, which helps secure ownership of our niche in the marketplace."

Olson and Grivna agree that the integrated system is central to the company's continued success. "Nothing can compare with the process manufacturing and financial capabilities of Sage PFW teamed up together," Olson explains. "Without it, our processes would be downright archaic—and our entire business would come to a standstill."

About Sage North America

Sage North America is part of The Sage Group plc, a leading global supplier of business management software and services. At Sage, we live and breathe business every day. We are passionate about helping our customers achieve their ambitions. Our range of business software and services is continually evolving as we innovate to answer our customers' needs. Our solutions support accounting, operations, customer relationship management, human resources, time tracking, merchant services, and the specialized needs of the construction, distribution, healthcare, manufacturing, nonprofit, and real estate industries. Sage North America employs approximately 4,100 people and supports nearly 2.9 million small and medium-size business customers. The Sage Group plc, formed in 1981, was floated on the London Stock Exchange in 1989 and now employs 14,500 people and supports 5.8 million customers worldwide. For more information, please visit the Web site at www.sagenorthamerica.com or call 866-308-2378.

"Nothing can compare with the process manufacturing and financial capabilities of Sage PFW teamed up together. Without it, our processes would be downright archaic—and our entire business would come to a standstill."

—Adrienne Olson
Controller
Sierra Corporation