

States Industries

Customer Success Story

Leading Wood Products Manufacturer Improves Customer Responsiveness While Cutting Inefficiencies and Operational Costs



States produces a product line with more than 400,000 product configuration possibilities, and is adding new combinations daily, each to meet a customer's very specific application. No other manufacturer in their industry is more responsive to the specialized needs of woodworking.

Challenge

Since its founding in 1966, States Industries has continually been a leader in setting the standards for hardwood paneling with a steady stream of new, innovative products, and improved manufacturing processes. For years it had managed production with an ERP system with roots in the 1960s running on a minicomputer, and on an in-house, heavily customized, standalone quoting system. Orders could be entered into the ERP system, but then had to be manually translated into item masters, bills-of-materials, routings, and cost rollups.

The process was laborious, time-consuming, and fraught with unnecessary scrap and costly errors. "One mistake, one mis-constructed item can cost our company tens of thousands of dollars," says Cliff Barry, Chief Financial Officer.

"We have 124 different panel attributes. This includes length, width, thickness, and various grades for panel tops and bottoms," he says. Different wood grades number in the thousands. "We have 300 different grades for maple alone."

Eugene, Oregon
statesind.com

Corporate Details

States Industries offers over 400,000 wood product combinations. The company is noted for its top-end quality products, and the ability to easily and profitably handle unique custom configurations in small batches on a timely basis.

Benefits

- Full integration between order configuration and ERP, eliminating manual, error-prone process.
- Ability to configure highly complex, unique orders while customers are on the phone.
- Ability to easily do cost rollups on the fly.
- Ability to hit customers' price points.
- Easy to add and change features and prices on a daily basis.
- Significant reduction in scrap and waste – reaping major savings

Products

- Microsoft Dynamics AX



The company realized that its current ERP and quoting systems were limiting efficiencies and cost savings. It hired Barry to engineer the transition to a new solution. He worked for a large global consulting firm for years, and had evaluated countless operations and implementations. He came aboard to build the business case for a change in systems, and to oversee implementation.

Solution

"We wanted to be sure if we started down this path," Barry says, "That a new, robust configurator could comprehensively configure orders as well as generate costs estimates, bills-of-material, routings, and product master while the customer is still on the line, providing immediate feedback.

"We felt a lot more confident about Experlogix, that its product strategy was in sync with ours," Barry says.

"Experlogix really listened to our requirements," says Andy Weiner, technical director for quality, product development, and panel engineering. He was charged with detailed management of the implementation and of daily updating the rules, pricing, and new product features that drive the configuration engine.

Weiner identified critical system capabilities that needed to be made more robust. One of the most significant requirements was the integration with Microsoft Dynamics AX, the company's new ERP. The configurator had to easily pass 124 different product attributes bi-directionally. He also wanted to ensure that when a new configuration was input, notification would occur if it was a duplication of an existing configuration. There was also need for ability to handle the complexity of panel co-products.

"Experlogix really came to understand our business," Weiner says. "Working with them was like we were their only clients. They were very responsive. And they were willing to make the investment to enhance its product in working with us, because they knew it would make their product more versatile in the market."

Result

As Weiner began to work with Experlogix, "I realized how intuitive it is. And how well laid out conceptually the solution is," he says. That will make it easy for Weiner – who is not IT trained with the support of one IT staffer – to quickly add new rules and changes that drive the configurator.

"It's exactly what we wanted," he says. "We can configure new products on the fly. And with the rules we've built, the solution will immediately tell us whether new products are profitable," and whether they are suitable from a quality standpoint to even be manufactured. "It will help us cut waste and scrap – saving us a bunch of money."

"Over the years working as a consultant, I've dealt with a lot of software vendors," Barry says. "This is the first time that a vendor truly listened to our requirements and thoroughly understood the depth and breadth of the business. Experlogix's willingness to step up and invest capital in the enhancements we needed was unique in my experience. They have enabled us to do things nobody else in the industry can do."



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