



NELSON INDUSTRIAL

Pickering, Ontario

PRODUCTS

Sheet metal fabricating, Sheet metal, Doors (access), Iron products, Cabinets (electronic equipment), Signs (metal), Metal work (ornamental), Displays, Metal work (architectural), Shelving (library)

VISUAL
Manufacturing

Nelson Industrial

Since 1973, Nelson Industrial Inc., a privately owned Canadian company, has been serving the needs of its growing customer base with the highest quality of precision fabricated metal products. Processes include design, shearing, laser cutting, stamping, punching, forming, welding, finishing, and assembly.

Nelson's head office and base manufacturing operation is located in a modern 100,000 square foot facility that employs more than 150 people. It has additional sales and distribution centers located in both Canada and the United States.

Nelson Industrial manufactures a diversified range of standard and customized products that includes contract services, architectural metals, access doors, and storage products.

Although MRP systems were not new to Nelson, with continual growth of 20-30% per year, they knew they needed to revamp their system to remain competitive and achieve better control over their expanding operations.

Nelson wanted a fully integrated system to provide more flexibility and functionality in the areas of scheduling, resource planning, and costing. In May 2000, they chose to implement VISUAL manufacturing. For Nelson, selecting VISUAL was easy. "I was very familiar with the capabilities of VISUAL Manufacturing from a previous position. I knew it would be a good fit for Nelson." says Dorin Radu, VP Operations.

For Nelson, the success of the implementation came from knowing the system and taking the time up front to define their objectives, and to properly plan and organize their company.

"We spent five months planning the transition, educating our people and re-organizing our company structure in ways that would complement the system." Says Radu. "We knew that implementing VISUAL would benefit our company, but we needed to make sure we made the right decisions up front", continues Radu.

After the initial planning was done, the pace was set for the implementation, beginning with the installation of the software in September 2000 and targeting to have the system fully running by the start of their new fiscal year in March 2001.

Since implementing the system, the company has gained better control over all aspects of the business including: financials, WIP, inventory, labour (direct and indirect), shop expenses, scheduling, planning, purchasing and production.

According to Radu, one of the best things about VISUAL is the Advanced MRP functionality in the Material Resource Planning

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Window. "We couldn't function at the current level without it. It is the functional back-bone of the company. We use it for procurement and resource planning; it provides great flexibility and visibility of the shop floor. We use the reports in our daily meetings and make most of our decisions based on its information".

"Our people at all levels are taking advantage of the information in the system", says Radu. "With sales up 25%, the human factor wasn't enough. We needed a better tool for forecasting, and with the use of VISUAL, our on-time delivery is better. We are also able to manage more sophisticated processes than we were before. On the production side, continues Radu, we can co-ordinate schedules and follow the logistics better and easier. We are in control of what we are doing. We know where we are at all times."

"Our sales force is also more confident, and is now accepting more complex projects without hesitation", intervenes Jeff Nelson, Sales and Marketing Manager. "This enables the company to grow without jeopardizing the on-time delivery and quality of our products. In short, we can sell and deliver much better."

When asking about 'quantifiable' returns from the system, Radu shares the following:

"While we do have better control over our internal processes, hard numbers are difficult to quote due to the dynamic change in volume and structure of our product mix. As Jeff mentioned before, we are now able to take on more complex projects, which affect inventory levels in other ways. If I take those out of the equation, we would have seen about a 20% reduction in our inventory levels due to the greater visibility and tools provided for us in the Advanced MRP window."

When looking at overhead costs, Radu is pleased to report: "We have seen so far an increase in throughput of 25% without having to add any new people for the administration of manufacturing and accounting activities"

The bottom line "When we initially decided that Nelson purchase VISUAL, I predicted that we would recoup the entire value of the software investment within one year. Now, after running the system for five months I am seeing the results. But the major benefit of implementing VISUAL goes beyond what is immediately measurable in hard numbers; it meant the opportunity to involve more and better educated employees in planning and controlling more confidently the internal processes. The excitement and interest around utilizing such an advanced and powerful system allowed the company to increase the accountability at all levels and to empower more responsible employees to make valuable and noticeable contributions. It was an important ingredient of the fundamental cultural transformation needed in growing the company to the next level."

When asked for any tips to offer companies implementing a computer system, Radu adds: "When you implement a system there are a numbers of complex factors that produce the positive results. You need to have a proper understanding of the capabilities of the new software, your people need to be educated and knowledgeable in the systems, and the implementation has to be properly planned and coordinated from the top down. The people with executive authority have to assume responsibility for the results of the implementation. Without all of those factors working, your results will not be as successful."

Future plans for Nelson include implementing a web presence and the Visual CRM (Customer Relationship Management) system. "It's a competitive market place and we need to optimize the communication between us and our customers. We're very excited about the challenges ahead", concludes Jeff Nelson.