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Computing Solutions

SAGE 200 COMMERCIALS CASE STUDY: THE FIN MACHINE COMPANY

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SAGE HELPS THE FIN MACHINE COMPANY TO SUCCEED ON THE WORLD STAGE.

■ CLIENT PROFILE

The Fin Machine Company is a market leading manufacturer of special-purpose capital equipment used within the global automotive industry. According to current estimations, two out of three car radiators are built on the company's machines.

The business has developed an innovative and highly reliable range of equipment which is consistently ahead of industry requirements. Over 80% of the equipment manufactured is exported around the world including the USA, South America, Europe and the Far East, an achievement which has been acknowledged with the presentation of The Queen's Award for Exporting.

Since its formation in the mid-eighties, The Fin Machine Company has steadily expanded its capabilities and today offers a full in-house design and manufacturing service, staffed by a team of mechanical, electrical and software engineers. Based in Seaham, County Durham, the business employs 200 people and also has a multinational agent network. Turnover has reached the £20 million mark.

■ THE CHALLENGE

For several years, The Fin Machine Company ran a Sage Line 100 system with a specialist manufacturing package. However, the point was reached where the system could no longer offer the flexibility needed by an ambitious company facing international competition.

Financial Director Craig Billingham recalls, "Sage Line 100 had served us well, but we used it simply to generate and extract relatively high-level data. With a growing business to manage, we felt there was potential to do much more – and with greater efficiency – with support from the right technology."

Outlining the particular pressures of running a high-value, low-volume niche manufacturing business in an extremely competitive industry, he adds: "We are a purchase order driven business, rather than an MRP driven one. Once a customer order is received, the clock starts ticking and we must be hot off the blocks. We have to start placing orders with our suppliers before running a master schedule on MRP."

■ THE SOLUTION

In looking for a more powerful business solution, The Fin Machine Company thoroughly researched the market, reviewing major and bespoke providers. Craig comments, "Many products seemed to be aimed at very large businesses and would have been overkill for our needs. After contacting Sage Business Partner Pinnacle Computing, who specialise in Sage Manufacturing software solutions, we were advised that Sage offered a system with an excellent fit to the scale and nature of our business. Moving up within the Sage range seemed like a natural progression, too."

After consultations with Pinnacle Computing, The Fin Machine Company purchased Sage 200 Commercial running under Windows 2003 and using a SQL Server database. Pinnacle Computing prepared and implemented the system and, as Craig notes, "Considering this involved a major change of platform for us, it was a very smooth operation. The whole project took just three weeks from purchase order to installation and came in to budget and on time – in fact, a day early."

■ THE BENEFITS

Over a year since the implementation, The Fin Machine Company can now gather information at a number of different levels and react very quickly. Visibility of timely data has been extended across the organisation; it has become much easier to open up information to the departments at summary level, for managers to interrogate further in the detail they require.

The business has gained great benefit from this, as Craig explains, "We can capture data in much higher resolution and with much better drill-down. So, for example, data on labour costs can be passed through to the right departmental managers at the right level. They can identify any discrepancies, make informed decisions and take early, pre-emptive action rather than fire-fighting once problems arise. In an operating environment where penalties are incurred for late delivery, having this ability plays a major part in our profitability."

He points out, "In the past, a machine could have been out of the door before we became aware of costs running over budget. Now we have visibility of our committed costs as soon as a purchase order is raised and can take action to mitigate a problem before it reaches the shop-floor."

The Fin Machine Company recently became an early adopter of Project Accounting, a highly configurable costing and analysis module. Craig was surprised at how straightforward the implementation was, given it represents a big step forward in providing greater control in fulfilling one-off orders, with in-depth analysis and reporting to ensure projects and profitability remain on track.

At The Fin Machine Company, timesheets used to be entered into Access and from there into Sage 200 Commercial. Now data can be input directly onto the system, with the information being reflected in Project Accounting. Craig explains the change this has brought to the company's operating culture: "Departmental managers have always been aware of the hours their team works, but now the system puts a '£' sign to it and shows the breakdown between core time, shift time, overtime... This helps to increase managers' commercial awareness and gives them a greater sense of ownership of their budgets. They can't argue with the data, as we all share the same, consistent view of profit & loss. This avoids the conflicts of opinion that can arise where figures are regarded as being 'imposed' by Finance."

Reflecting on the past year of using a more powerful system, Craig says, "All in all, it's been a tremendous success and a very positive experience throughout. We have the data we need for the things that matter. We don't need masses of information on debtors, for instance, as we're a specialist, low-volume business, but it's very important to us to have good reports on our trade creditors, with full on-screen traceability of remittances to handle suppliers' queries."

“ DEPARTMENTAL MANAGERS CAN IDENTIFY ANY DISCREPANCIES, MAKE INFORMED DECISIONS AND TAKE EARLY, PRE-EMPTIVE ACTION RATHER THAN FIRE-FIGHTING ONCE PROBLEMS ARISE. IN AN OPERATING CLIMATE WHERE PENALTIES ARE INCURRED FOR LATE DELIVERY, HAVING THIS ABILITY PLAYS A MAJOR PART IN OUR PROFITABILITY. ”

Craig Billingham, Financial Director
The Fin Machine Company

■ THE FUTURE

The Fin Machine Company continues to gain increased functionality from Sage 200 Commercials, finding additional ways to align it to changing industry needs. As the system has been applied to more aspects of the company's operations, the number of users has soared from four to twenty.

A move is imminent to enable technicians working around the world on machine installations to log timesheets and expenses onto the Sage system remotely over the Internet. This will improve efficiency and the time saved can be reinvested in customer service. Once again, departmental managers will be given direct ownership of the data, through electronic sign-off.

Craig values the responsive support and services received from Pinnacle Computing, who, with regular reviews, ensure he is using the current package to its full potential and keep him up to date on any new product releases which could benefit the business. Now, with Pinnacle Computing's help, The Fin Machine Company is considering customer relationship management technology. The aim is to streamline sales processes and integrate data end to end, from the initial quote to the customer to the eventual delivery of the finished equipment.

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Craig Billingham, Financial Director
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■ SOLUTION OVERVIEW:

- ▶ A system with a close fit to the size and demands of the business.
- ▶ Ability to take prompt remedial action on issues that could affect profitability.
- ▶ Consistent view of profit & loss data shared across the organisation.
- ▶ Devolution of timely information on costs, increasing managers' sense of ownership.
- ▶ Smooth implementation and continued support from Sage Business Partner Pinnacle Computing

■ ABOUT PINNACLE

Pinnacle Computing is a Sage business partner providing the full range of Sage Accounting, ERP & CRM solutions. Pinnacle Computing is based throughout the UK & Ireland with offices in Belfast, Dublin, Glasgow, Hull, Maidstone, Nottingham, Portsmouth, Warrington and Worcester. Sage is a global provider of end-to-end business management applications for mid-sized businesses. Look to Sage for fully integrated software that delivers high performance, advanced functionality, cross-product integration and unmatched freedom of choice. Integrating powerful front-office web and wireless capabilities with back-office accounting and operations. Sage provides companies with the solutions they need to enhance competitive advantage and increase profitability.

Talk to us!

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