

EUREKA LIGHTING

Lighting Manufacturer Uses ERP Solution to Shine Light on Inventory, Reduce Costs

At a Glance:

Customer Profile

Montreal-based Eureka Lighting is committed to being a North American leader in decorative and architectural lighting products.

Business Situation

Eureka's inventory could not be properly tracked, which meant frequent overstocking on parts, some of which became obsolete while in storage. Customer order fulfillment times also grew.

Solution

By implementing a solution based on Microsoft Dynamics AX software and Microsoft SQL Server 2000, Eureka has improved inventory visibility and drastically reduced customer wait times.

Benefits

- Streamlined Operations
- Reduced operating costs
- Improved turnaround times

Software and Services

- Microsoft Dynamics AX
- SQL Server 2000
- Windows Server System

Modules

- Microsoft Dynamics AX financial, customer relationship management (CRM), and supply chain management features, including the Product Builder and Enterprise Portal applications
- Fullscope Total Quality Management for Microsoft Dynamics AX

Founded in 1987, Eureka Lighting is committed to being a North American leader in decorative and architectural lighting products. The young company is based in Montreal and maintains offices across North America. With aggressive expansion, however, came growing pains, and Eureka found that its inventory could no longer be effectively tracked. This meant Eureka was frequently overstocking parts, some of which had become obsolete. The manufacturer was also dissatisfied with its order fulfillment and customer satisfaction rates. Eureka turned to Microsoft for help. By implementing a solution based on Microsoft Dynamics™ AX software and Microsoft SQL Server™ 2000, Eureka has significantly reduced its inventory and drastically improved its delivery times and customer satisfaction rates, leading to greater operational efficiency and an improved bottom line.

Business Challenge

“Our true value lies in delivering quality and attractive products to customers as quickly as possible,” says Patrick Foley, vice president of operations, Eureka Lighting. “Because we specialize in made-to-order products and can literally sell whatever a customer wants us to make for them, we need to be flexible, innovative, and have an ability to deliver quickly.”

With millions of different product possibilities, Eureka's dependence on precise inventory figures is impossible to overstate. Eureka previously relied on staff to manually track inventory, patrolling the warehouse with pen and paper in search of needed parts. This made it difficult to estimate delivery times. Orders took longer to fulfill, and customer delivery times became less predictable. Business reporting was also nonexistent. Plant floor staff, managers, and partners lacked a clear, centralized view of the number and status of orders, and the means to easily adjust them on the fly.

After considering a range of software options from companies like SAP and Epicor, Eureka turned to Microsoft to help implement a Microsoft software-based solution.

Solution

Eureka's business hinges on inventory, so the new solution had to provide an exact picture of stock positions to help sales staff to make correct delivery assessments for customers, give plant floor staff insight into what was needed, and even smooth the process of accounts payable and receivable.

Eureka selected and implemented a new company-wide solution based on Microsoft Dynamics™ AX, formerly Microsoft Business Solutions–Axapta®. Dynamics AX is an ERP software solution designed to serve the needs of the manufacturing and wholesale distribution industries. Eureka also purchased a Total Quality Management module for Microsoft Dynamics AX from Fullscope, a Microsoft Gold Certified Partner.



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"We were impressed by how easy it was to customize Microsoft Dynamics AX," Foley commented. "ERP is a major investment and a very serious decision for a company like ours. We needed to make sure the solution we chose worked exactly the way we wanted. Using Microsoft Dynamics AX, we can leverage the market expertise we've built over 15 years and make it flexible and responsive to our needs," he added.

Business Benefits

Since implementing the Microsoft Dynamics AX solution, Eureka has cut its inventory load and reduced customer delivery times. Employees can view up-to-date stock and order information and make adjustments based on real-time information, not on calculated guesses, which has led to much faster order fulfillment times. Also, customers can access the real-time order data and configured quotation capabilities from Eureka's Web site which has greatly increased customer satisfaction rates.

Streamlined Operations

When Eureka staff receives an order, the order immediately goes into Microsoft Dynamics AX. Production personnel can instantly view the order details and know exactly what to do. The customer can easily track the order status from that point forward through a Web link into the system. Commercial invoices are automatically generated at the time of product shipments. Using the document management module for Microsoft Dynamics AX, staff can also arrange for invoices to be automatically sent by e-mail or fax, depending on the customer's wishes.

"Today, everything we do is automatic. Every time we find a manual process, we turn to AX to simplify it—to help make it easier and to avoid the chance for error. Even staff that has no insight into a particular order can move it forward. It's bulletproof," says Foley.

Reduced Operating Costs

Prior to implementing the Microsoft Dynamics AX solution, eight dedicated staff members were needed to manually oversee the inventory cycle count, procurement, and distribution process. Four of those staff members have since been reassigned to more strategic areas of the company.

With the clear view of inventory that Microsoft Dynamics AX helps to provide, Eureka has also been able to shave nearly CDN\$2 million in inventory costs since the solution went live, including permanently ridding itself of CDN\$800,000 in obsolete parts. The company has also been able to reduce its staff time spent on administration tasks such as hunting for inventory and tracking orders by 20 percent.

Faster Turnaround Times

Eureka worked hard to fulfill customer orders within 10 days—a yardstick that was becoming nearly impossible for the company to measure itself against. Today, Eureka is shipping 85 percent of its made-to-order items in less than 10 days, even faster for ready-made items. These are figures that are rarely achieved in the made-to-order business.

"We used to have to engage in a lot of dialogue with our customers, explaining why orders were going to come in late. But in recent months, our sales and customer meetings are a breeze. The emphasis has shifted away from customer order times to increasing our sales and adding value for the customer," says Foley.

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