Global Manufacturer Improves Operational Efficiency With Epicor ERP

Company Facts

▶ Location: China
▶ Industry: Manufacturing—Stock Preparation for Pulp and Paper Industries
▶ Website: www.kadant.com

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Success Highlights

Challenges
▶ Lacked standardised global business management processes
▶ China site previously had no ERP system

Solution
▶ Epicor® ERP

Benefits
▶ Synchronized global business on the same ERP platform
▶ Improved operational efficiency
▶ Avoided redundant engineering workload by over 40%
▶ Simplified data retrieval process

Kadant Inc. is a midsize global supplier of high-value critical components and engineered systems for use in process industries. It focuses on papermaking, paper recycling, and other processing industries in over 18 countries worldwide—including the United States, the People's Republic of China (PRC), and some European countries.

In 2006, Kadant entered the Chinese market via acquisition. With more than ten years' business growth, China is now its largest market, contributing 60 percent of its overall revenue.

Entering a new market and achieving such great success is never an easy thing, especially in China—a unique market with huge potential. "Epicor ERP helps our global business operate on the same platform," said Mike Acevedo, implementation project manager and manufacturing director at Kadant.

To integrate all the data globally and work closely with the headquarters in Westford, Massachusetts, Kadant decided to replace its previous enterprise resource planning (ERP) system with Epicor ERP. With a globally recognized reputation, good understanding of the manufacturing industry, and an excellent consulting team, Epicor was an easy choice for Kadant.

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"We worked extremely closely with experienced Epicor consultants who explained the various ways we could handle different scenarios," said Acevedo. "More importantly, Epicor ERP fits companies of our size very well. Unlike some large ERP solutions that contain a lot of features you don't want, Epicor ERP offers exactly what we need."

Improving operational efficiency

Before implementing Epicor ERP, Kadant didn't have an integrated ERP system in place. The company had to work out engineering data, sales order data, and many other key transactions in Microsoft® Excel® spreadsheets which were not linked—opening the door to inaccuracies and creating a lot of redundant work. The company had no system in place to create, issue, or maintain manufacturing work orders and could only track materials that were issued to fulfill certain sales orders. Labor and burden costs were roughly estimated. With the introduction of Epicor ERP, Kadant has now improved operational efficiency to a large extent—especially in production management, avoiding redundant workload by more than 40 percent and enhancing engineering data accuracy tenfold.

In addition, Kadant benefits from the built-in inventory and purchasing module. Formerly, these processes were all performed manually. Kadant had to send specific staff to physically check the company's inventory in order to plan for any increases in demand. Epicor ERP keeps all the necessary data in the system and helps the company avoid over-purchasing material. This reduces workload and improves operational efficiency.

Utilizing the Epicor ERP work order management module, Kadant now has a clear picture of its actual costs and better understanding of its performance. Human resource and material cost can all be tracked and calculated.

Moreover, China has a complicated tax reporting system. Epicor ERP features country-specific functionality that helps Kadant operate seamlessly in its geographies of choice.

Since benefiting from an integrated ERP system, Kadant believes there are more opportunities to grow with Epicor. The company plans to upgrade its current Epicor ERP software this year. Meanwhile, it would like to adopt functionality such as Service Connect and Sales Connect to better manage data and improve effectiveness.

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software that is designed around the needs of our manufacturing, distribution, retail, and service industry customers. More than 40 years of experience with our customers' unique business processes and operational requirements is built into every solution—in the cloud or on premises. With a deep understanding of your industry, Epicor solutions spur growth while managing complexity. The result is powerful solutions that free your resources so you can grow your business. For more information, connect with Epicor or visit www.epicor.com.

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