



VETS SHEET METAL

PROJECTS COMPANY CUTS COSTS, BUILDS PROFITS WITH SAP® BUSINESS ONE

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Sean Rayner, President, Vets Sheet Metal Ltd.

QUICK FACTS

Company

- Name: Vets Sheet Metal Ltd.
- Location: Edmonton, Canada
- Industry: Mill products – fabricated metal products
- Products and services: HVAC and fabricated sheet metal projects
- Revenue: US\$5–10 million
- Employees: 35–55
- Web site: www.vetssheetmetal.com
- Implementation partner: Zantek Information Technology Inc.

Challenges and Opportunities

- Eliminate duplication in business systems and the need for redundant data entry
- Ease administrative staff workload
- Engage a source for business software with long-term viability
- Avoid the expense and support problems introduced by customization
- Provide timely, accurate information to management
- Improve reporting flexibility
- Increase visibility into the status of supplies and projects
- Improve ease of use
- Automate processes for progress claims and holdbacks
- Improve service call management

Objectives

Implement a modern, complete, integrated solution covering all the needs of the business

SAP Solutions and Services

SAP® Business One application, version 8.8

Implementation Highlights

- Redesigned business processes prior to implementation to conform with best practices supported by SAP
- Took 5 weeks to perform an implementation scheduled to take 4 months, while overcoming hardware problems
- Held costs to within 10% of budget despite the hardware adversities

Why SAP

- Powerful product demonstrations and Webinars
- Integrated support for the needs of the business
- Strength and stability of SAP
- Endorsement from trusted partner Zantek
- Built-in service call functionality

Benefits

- Reduced staffing needs by 1 FTE and on track to eliminate another
- Eliminated duplication of systems and data entry
- Eliminated need to spend 4–5 hours per day on database updating
- Streamlined and integrated all processes for sales, quoting, engineering, projects, and production
- Provided timely, accurate information to management
- Improved reporting flexibility
- Increased job costing visibility, including discrepancies
- Improved profitability

Third-Party Integration

Trimergo's B2 for project-based companies

Vets Sheet Metal Ltd. performs HVAC projects as well as sheet metal fabrication. When Sean Rayner took over as president, he wasted no time replacing the company's outdated, disparate, overlapping business systems with the SAP® Business One application. "We chose SAP Business One and completely overhauled our business processes to match up with the best practices it supports," he reports. "Our added efficiency has allowed us to cut staffing requirements by one position already and another soon – one reason why our profitability has almost doubled."

Duplicate Systems, Duplicate Effort

A fixture in the business community of Edmonton, Canada, since 1921, Vets is in its fourth generation of Rayner family leadership. By focusing on customer service and training, the company has built a strong business serving oil and gas companies in northern Alberta and other users of fabricated metal products.

During the early decades of its life, Vets developed a set of paper-based systems for running the business that served it well. Later, after the advent of the computer, the firm adopted several automated systems as well – one for accounting, another for payroll, and a third for estimating. However, since the computer-based solutions did not completely cover the functionality of the manual procedures, Vets continued to use both its manual and its computer-based systems. This resulted in a great deal of expensive duplication of effort both in operating and maintaining systems and in entering data.

To meet the changing needs of the business, the software vendors performed extensive customization that drove up costs even higher and locked Vets into them for support. Dependence on these vendors was a considerable concern, especially since one of them was a small local firm that had no long-term guarantee of viability.

Ideal Business Software for a Small Company from SAP

This was the situation Rayner inherited when he took the reins several years ago. "We had been considering modernization of our IT infrastructure for some time, and one of my first acts after taking control was to pull the trigger and do it," he recalls. "We called in several resellers, and the SAP name came up repeatedly. We had the impression beforehand that SAP software was just for accounting and only for big companies, but the resellers set us straight that SAP offers a product that is ideal for a company our size: SAP Business One. So we did our

own research and confirmed the fit. I'll tell you one thing – we don't have to worry about a company like SAP going out of business and leaving us high and dry."

One of the resellers stood out from the rest; Zantek Information Technology Inc. "Zantek took the time to really understand our business. Then it looked at every one of our business needs and matched them up with functionalities implemented in SAP Business One. Since we are very much a projects-oriented company, Zantek also identified and proposed a projects management specialty application to augment SAP Business One that is well integrated with it; B2 for project-based companies from Trimergo."

Business Process Renovation

Although Vets was delighted to have identified excellent vendors to provide the products and services to comprise its modern IT infrastructure, it knew there was more preparatory work to do. "We had business processes built around our ancient manual systems, our seriously outdated computer-based systems, and in many cases, both," Rayner explains. "You can't expect a modern enterprise resource planning system to deliver all the benefits it is capable of when your business processes are completely out of whack with it, and we were determined not to get into customization again. So together with Zantek we examined every process and redesigned it to take optimal advantage of SAP Business One and the decades that SAP has spent identifying the best way to perform business processes. It was a lot of work, but wow, was it ever worth it!"



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Vets and Zantek anticipated a smooth four-month implementation, but through the fault of neither one, the project proved to be unexpectedly eventful. The hardware to host the solution, which was provided by yet another vendor, arrived late and proved unstable for several weeks. “I had set a firm date to go live, and the whole company was counting on it. We had to make it,” Rayner says. “Zantek responded superbly, working evenings and weekends to help us meet our schedule. Basically the team had only five weeks to do a job that was projected at four months, but we did it – an outstanding achievement.”

Timely, Accurate Business Information

Gone are the legacy systems. Gone is the duplicate data entry. Vets is saving four to six hours a day through the elimination of one operation alone – a database update procedure. Many other operations take 20% less time than before or better. “With more efficient and better integrated business processes, along with all the automated help provided by the new software, productivity is up

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“Job costing data is more accurate, and discrepancies are easier to see and understand,” adds Nola MacKay, the company’s controller. “In fact, visibility is better for information of all kinds – supplies in inventory and project status, for example. We especially like the alerts we receive automatically when supplies on hand drop below thresholds we have set. Our overall information flow is smoother, record keeping is easier, and for the first time we have the entire history of all our projects in one database. When we need to generate reports, we have a lot more flexibility than ever, thanks to the SAP Crystal Reports® software that came with SAP Business One. It is day and night compared with our legacy reporting environment.”

Large Ecosystem for Help and Advice

Vets is now a proud member of the SAP Business One community and

meeting in Portland to meet some of his counterparts and gain insight into SAP directions. “Learning where the software is going was really helpful because I now know what kind of adjustments we need to make as a company to take best advantage of new developments,” he reports. “I really like the emphasis on supporting mobile devices, for example. That is going to let our project teams in the field communicate instantly with our headquarters software, for doing things like entering time and expense data.”

“The conference was also excellent from the viewpoint of meeting other SAP Business One customers, including some that are a lot bigger than Vets and still going strong with it,” Rayner adds. “That gave me confidence that we can grow many times over and still not encounter any software-imposed ceilings.”

Profits – the Bottom Line

Rayner tells a story about his first year-end close with SAP Business One. “The numbers said that our profitability was way better than I expected, nearly double the year before. I had trouble believing it, so I called in Zantek and asked its team to find the software bug responsible. They looked into it and found that there wasn’t any bug – the profits were real,” he says. “Without a doubt, our project teams get a lot of the credit for our new levels of profitability, but I am sure that our move to SAP Business One was a big contributor as well. That was a very smart decision we made.”

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Nola MacKay, Controller, Vets Sheet Metal Ltd.

throughout the company,” says Rayner. “Most important, I now have the data I need to do my job best. You cannot put

pleased to have so many sources of help and advice available. Rayner recently traveled to an SAP user group

Zantek Information Technology Inc.

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