



The Story of C.E. Shepherd

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Now that we've implemented MAX, we have the tools to move forward into a new generation of 21st century business."

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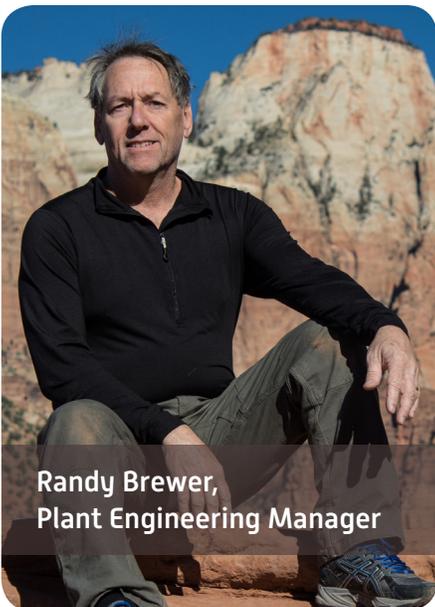
MAX
An ECI Software Solutions Company

ERP HELPS C.E. SHEPHERD ADVANCE PAST THE COMPETITION



C. E. Shepherd Company, L. P.

The definition of a salt-of-the-earth family owned business, Houston-based C.E. Shepherd built its customer base from the ground up. But when competition increased, they discovered their manual processes were resulting in inaccuracies. In order to truly grow, they had to find a way to get current.



Randy Brewer,
Plant Engineering Manager

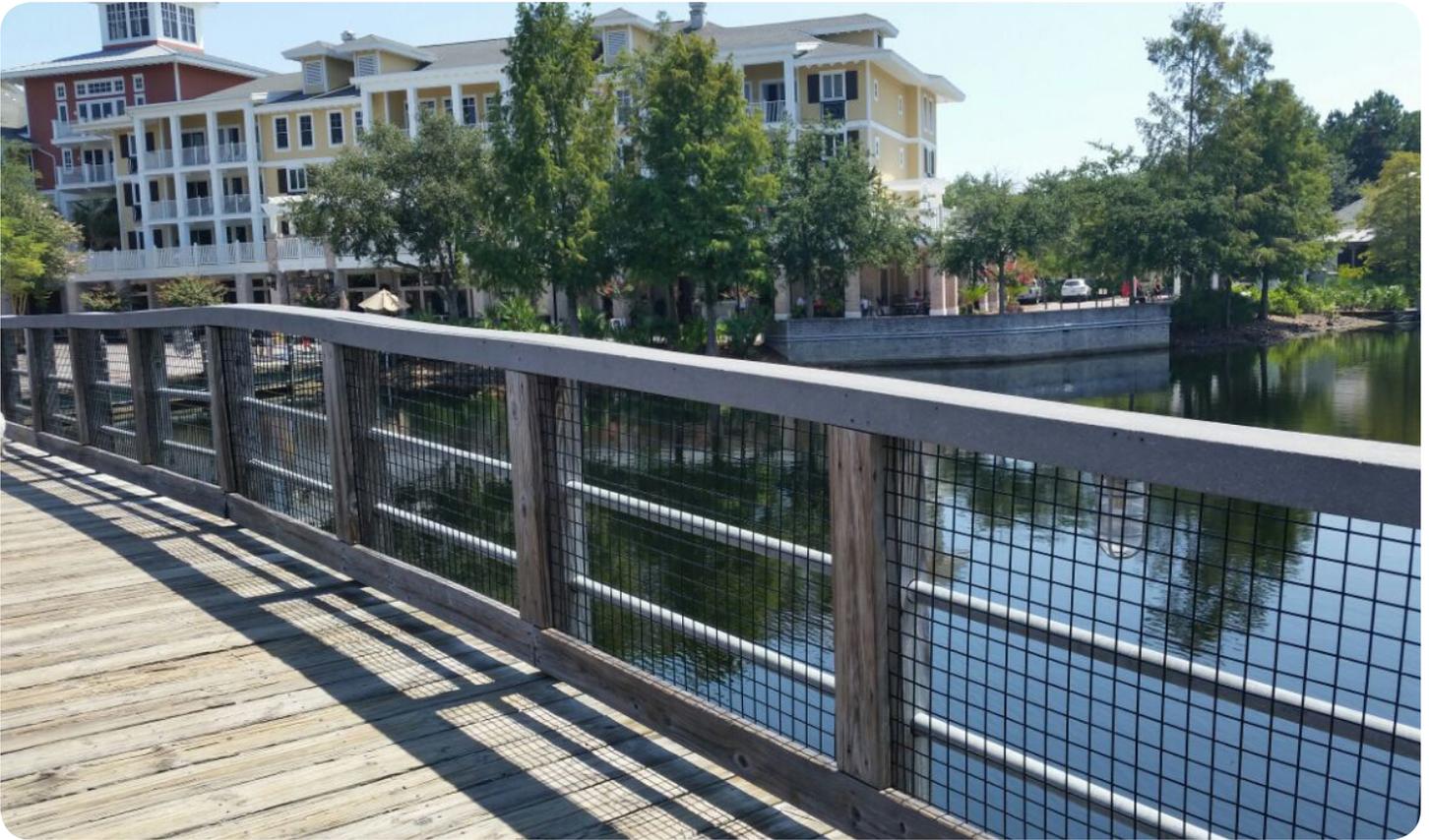
The steel fabricator began as a local embossing, compression and injection molding servicer in the barn of Charles Shepherd, the namesake of the company, before it was passed over to his son, Maury Shepherd. Today, the business includes powder coating, injection molding, engineered wire mesh and cooling tower components. C.E. Shepherd currently employs around 150 people, with many employees serving for over 35 years.

Since its inception in 1957, C.E. Shepherd has expanded its profitability along with its product portfolio and welding capacity six-fold over its lifetime. An agile development strategy (before agile development became a buzzword) initially helped the company prosper in the face of increased competition. For example, the 1980s saw C.E. Shepherd supply 100% of the colored wire mesh to the lobstering industry in the Northeastern United States. Eventually, larger companies entered the market and the company's

market share began to decrease. In response, C.E. Shepherd deftly switched its focus to other regions, opening up new revenue channels while reducing freight costs and expanding operations.

Technology Catches Up to the Industry

Five years ago, C.E. Shepherd faced a new challenge. The company had expanded nationally, and their industry had expanded globally. C.E. Shepherd was now competing with Chinese wire mesh imports, and longstanding customers were facing tough choices - stay loyal or go cheaper. The business was also expanding past the point of hands-on management. More experienced executives needed to be able to delegate production, CRM, logistics, inventory and deployment to a larger production team. This evolution led to the need for a more sophisticated business system.



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In 2001, they implemented MAX, an ERP system for small and medium-sized manufacturing companies. C.E. Shepherd production teams were used to keeping orders scattered across various files in Microsoft Word, Excel spreadsheets and even paper notebooks. Production teams were slow to change and reluctant to put in the time needed to learn or trust MAX. *If it ain't broke, don't fix it* was in full effect, at least until the company properly identified and defined what was indeed *broke*.

The production floor was responding reactively to sales orders rather than planning proactively, which resulted in delays getting inventory into customer's hands. Plant Manager Randy Brewer explained, "When you have seven mesh-welding machines, the product still goes out the door faster than you can possibly make it. If someone calls up and wants 10 rolls of a particular part number, you can't stop what you're doing, set the machine

up, weld ten rolls in any reasonable amount of time, much less make money doing it because you're busy setting the machine up". While C.E. Shepherd used MAX on a surface level to manage inventory and sales orders, production workers continued to enter shop floor orders into disparate software applications with no shared database. Predictably, records were tough to find and accuracy was an issue. Despite these problems, C.E. Shepherd continued to resist using MAX for the whole business, which resulted in a lack of continuity across systems.

Even so, C.E. Shepherd's business continued to grow because of its longstanding relationships and consistently high-quality standards. However, as competition expanded throughout the world, these inefficiencies started to show a palpable impact on the company's financials.

SPREAD TOO THIN

When C.E. Shepherd faced global competition they realized they needed to scale to keep up, and their manual methods of tracking inventory and sales in spreadsheets were ineffective.

THE SOLUTION

They implemented MAX, which sped up analysis, cut time spent sending information between various departments and allowed them to properly predict sales patterns to quickly adapt to demand.

Finally Making the Change

The team at C.E. Shepherd decided to take a closer look at how MAX might be able to help them address these challenges. Why not put the system through its paces and see what it could REALLY do? The company's leadership team entrusted Randy Brewer, one of the company's senior employees and production/IT engineers to lead the effort. Randy set out to match the needs of the company to the features of the program, beginning with an intensive effort running multidepartment production simulations. From order keeping to deployment, Brewer used MAX to map out a more efficient interdepartmental process.

Brewer found that it was easier to predict product sales trends using MAX planning features. This allowed them to minimize time spent setting up the machines for different outputs by planning ahead. From these predictions, he was able to increase the efficiency of the production machines, turning them on only when needed and minimizing waste as a result.

The problem now was getting the rest of the company to believe in MAX. It took some arm twisting, but Brewer was able to show the advantages of the new process. "It was so much easier than trying to maintain one spreadsheet on someone's computer where no one else can see it. Every command had to be vocal, like 'go do that', instead of our current process where they're handed a shop order that tells them exactly what to do," remarked Brewer. "At the moment, we have a six-week view of what we're going to make documented on the schedule. Now everyone knows what's coming." This increased visibility has had benefits beyond production, even helping sales set the right expectations with customers. "Salespeople can look in MAX and they know that we have something in inventory, or they can see we're going to make it in three weeks," continued Brewer. "They can even see if it's a standard item versus a custom item."

The results have been astounding. "We never turn down an order now," Brewer said. "And we got rid of a million dollars of old inventory in three years."

RUNNING THE NUMBERS

Since implementing MAX:

- Profits have soared by over 40%
- 80% of orders ship out of the warehouse, versus 20% prior to using MAX

"WE NEVER TURN DOWN AN ORDER NOW," BREWER SAID. "WE GOT RID OF A MILLION DOLLARS OF OLD INVENTORY IN THREE YEARS."



SEE MAX IN ACTION

Visit us at max4erp.com/events to register for an upcoming webinar so you can see for yourself why so many manufacturers rely on MAX for ERP.

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C. Shepherd

Randy Brewer, Plant Engineering Manager



In my business, it's a blessing to find anything that can last on the factory floor as long as I have. Now that we've really started to seriously implement MAX technology across departments and as a company standard, I really do think that C.E. Shepherd has the tools to move forward into a new generation of 21st century business."

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The Results

Since MAX was implemented, profits for C.E. Shepherd have risen over 40%. Before making a full-scale change to MAX, the company had been struggling for five years to earn a profit, whereas now they've profited the last three years in a row. The newfound efficiency that MAX has offered catapulted their revenues out of the red. The reports MAX provides Brewer also gives him the leverage to schedule jobs for the most efficient time frame. C.E. Shepherd now ships 80% of its orders directly from the warehouse - this is compared to the 20% the company was shipping before MAX. Instead of stop-and-go machining, the company can now pivot neatly from job to job.

Shop orders are now more accurate since MAX has enabled a useful transition from a shout across the shop floor to handing someone clearly documented instructions. Lead times within C.E. Shepherd have also gone down because of the higher throughput on the company's machines. This increased efficiency has enabled the company to bid on bigger jobs with longer lead times.

Brewer himself has even been able to catch up on some sleep now that C.E. Shepherd is getting more from MAX. Before he managed to drive this important change, he was forced to come into work at 3 am

to compensate for the inefficiencies he knew would occur during the day. "It's never too late to do the right thing," Brewer said. "When you have machines that do not run as fast as your customers can take the product, you better be very good at planning."

C.E. Shepherd has now been using MAX for almost 20 years with no plans to reverse course. The ground floor relationships that MAX has built with stalwarts such as Randy Brewer continue to bear fruit in North American manufacturing. From simple inventory management to complex interdepartmental administrative functions, MAX gives manufacturing companies the ability to streamline, focus and expand; just as it did for C.E. Shepherd. To sum it all up, Brewer quipped, "In my business, it's a blessing to find anything that can last on the factory floor as long as I have. Now that we've really started to seriously implement MAX across departments and as a company standard, I really do think that C.E. Shepherd has the tools to move forward into a new generation of 21st century business."

MAX ERP helps growing manufacturers control their resources with an easy-to-use solution that reduces the cost of manufacturing, automates manufacturing compliance, and improves profitability while enhancing customer service and satisfaction.

Through seamless integration with popular third-party accounting solutions, MAX offers the power of integrated ERP and boasts a particularly strong footprint with manufacturers that must maintain compliance with government or industry regulations, manage recalls and control and document product revisions and engineering changes.

MAX. ERP software for manufacturers.

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