

## DMC POWER Soars Higher with IT Due Diligence



For any planes or spacecraft in need of high-end replacement parts or connectors, DMC Power, Inc. is often the way to go. Initially conceived over half a century ago, DMC Power began as a small machine shop and quickly expanded to become the leading supplier of component parts for military aircraft. More recently, DMC Power has expanded their product lines to include equipment for both commercial and business aircraft and spacecraft and creates connectors for the energy industry.

Originally, DMC Power was part of a larger aerospace organization, but as time passed, they had separated from the organization and operated as its own independent unit. At the time, both businesses were still owned by the same private equity company and operated on the same Information Technology (IT) system based on enterprise resource planning (ERP) software.

When the aerospace organization was bought out by another private equity firm around April of 2013, DMC Power recognized that they would need to move their business over to a new ERP system that was less focused on aerospace-related tasks only and more suited to broader commercial needs.

“Our shared ERP system was just too bulky and complex for our business,” explained Eban Kane, the Chief Financial Officer (CFO) of DMC Power. “We needed to evaluate available software so that we could choose a system that better suited our business needs.”

Initially, DMC Power was able to find a wide variety of low-ball quotes to suit their ERP needs. Many of these businesses offered promises of rapid execution of their ERP systems into a new business, but DMC Power had more complications than the average

business. The aerospace company’s offer was extremely time sensitive, and as a result largely hinged upon each business’ ability to disentangle itself from the current IT system’s services. DMC Power decided that their best course of action would be to obtain an assessment of their ERP system to best evaluate their IT needs.

“In the end, we went to CMTC for our evaluation because they had the exact assessment we needed to accomplish this,” said Kane.

The assessment he was referring to is the *IT Due Diligence and Readiness Assessment*, which CMTC offers to all California manufacturers. The assessment included an evaluation of DMC Power’s business systems, and through that, DMC Power was able to determine a formal ERP system to select. In the end, the original low-ball quotes given by other ERP systems were not equipped to handle all of DMC Power’s needs, so instead CMTC focused this evaluation internally.



Alongside a separate ERP vendor as a guide, CMTC was able to determine DMC Power’s business situation and needs, and came to the conclusion that the current ERP system could continue to be utilized, but modified alongside the new ERP vendor’s system. CMTC was able to negotiate a fair cost for the new system, as well as assembled a solution to slim down the old ERP system by setting up an account with a cloud provider to relieve some of the

power and space required for their software at an acceptable rate.

The ERP system's transfer to the cloud, as well as the necessary employee training for the new system, was completed well ahead of schedule by September 2013. By adapting the old ERP system into a new hybrid system, DMC Power was able to avoid the additional software, implementation and training costs that would come attached with purchasing a brand new ERP system. DMC Power was able to save about \$200,000 in costs, and used these savings to invest half in other IT improvements and the other half in hiring two new additional employees.

“CMTC played an important role in assessing our IT needs during a pivotal time in our organization. They helped us adopt an Enterprise Resource Planning (ERP) system that saved us significant resources and \$200,000. We were able to implement our new system ahead of schedule with minimal interference to our employees.”

- Eban Kane,  
Chief Financial Officer

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## FEATURED CUSTOMER

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