



KIC Group

Wheel End Provider Triples Business in Under 10 Years with SAP Business One.

“ With SAP Business One, we’ve been able to triple our business in the last 5 to 10 years, while only adding 20% more employees. SAP Business One allows us to remain agile in a competitive market. We have been able to scale our business and increase efficiencies in our business processes – which are goals we would not be able to accomplish with our previous business solution. ”

Grant Hatton, Senior Vice President, KIC

Company



Name: KIC LLC, Inc.

Industry: Design, engineering and distribution wheel end provider that serves the Class 8 truck, trailer, transit/school bus, and suspension original equipment manufacturers and associated aftermarkets.

ERP System: SAP Business One®

www.kic-group.com

Summary

- Accurate insight into company costs and real-time reports
- Steady and manageable growth with a scalable solution
- Streamlined business operations to grow the company without additional overhead costs
- Easily manage overseas vendors with automatic updates in a vendor portal

Customer Profile

KIC is a commercial vehicle wheel end provider for Class 8 trucks, trailers, transit and school buses, and suspension original equipment manufacturers and associated aftermarkets. Based in Vancouver, Washington, KIC has supplied components and engineering design services to companies in the wood product, materials handling, and international truck parts aftermarket industries since 1972. Unlike traditional manufacturers, KIC’s design and distribution business model enables the company to be agile in its operations. Without the overhead of a plant and personnel, KIC’s business has the flexibility to make quick business decisions and react to changing market demands. However, this requires visibility throughout the supply chain to ensure delivery of high-quality products to the end customers from their contract manufacturing partners.



The Challenge

As a design and distribution company servicing the U.S., Canada, and Mexico, KIC must effectively manage longer supply chain logistics and lead times. For KIC, inventory management is critical — knowing stock levels, delivery location and manufacturing lead time requires more planning. KIC's previous business management system required manual data entry from its personnel. From the time an order was placed, an employee would manage that entire transaction through each step of the supply chain until the products were shipped and the customer invoiced. Unless the leader of a transaction was consulted, it was very difficult to discern the present status of an order. As KIC continued to grow, scalability became a challenge since manual processing increased the risk of human error.

KIC ran into issues when it came to accurately tracking costs within their previous systems. With a business model heavily focused on planning, KIC needed a system in place that would allow them to easily capture both hard and soft costs for inventory planning while accurately calculating business margins. While KIC was able to track this information, they had to go through many different avenues to calculate the cost of its own products. KIC also had to take into account unique taxes, tariffs, import fees, and other costs required by different countries in international transactions, which became much more difficult to capture as KIC's customer base grew. Creating accurate reports to get an overall view of business reporting was difficult with their previous legacy business system.

The Solution

KIC chose SAP Business One because they needed an affordable business management system to connect all areas of their business and remove information silos. Once SAP Business One was implemented, the benefits were immediate. In the process, KIC was able build a more organized company structure to manage customer orders with accurate, real-time information. Each transaction now goes through the sales, logistics, and accounting departments instead of having a single employee responsible for processing it all. Staff members from each department can then run detailed reports and get an accurate status on the transaction.

Since implementing SAP Business One a decade ago, KIC has grown and evolved as a company. "The key value of SAP Business One for us is that we've been able to scale our business and increase profit margins while maintaining lean operations," said Grant Hatton, senior vice president, KIC. SAP Business One is an intuitive application that has allowed KIC to streamline business operations so they could continue to grow sustainably.

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KIC now also has a vendor portal that allows them to extend the abilities of SAP Business One and get real-time information from their vendors overseas. Each month, KIC has upwards of 300 container loads of product moving across the world at any given time. As a result, they must constantly exchange information with their vendors in other countries to ensure all items are on schedule. When KIC places an order, they allocate the production of the item to one of their vendors and schedule the goods to be shipped as quickly as possible.

SAP Business One, provides the flexibility to be customized to meet a business’ unique requirements. The vendor portal was an example of this. With it, KIC empowers its vendors to maintain their account information by logging into a web portal to provide overnight status updates including logistics and container movement. This information is then automatically added to SAP Business One directly without human intervention. This, in turn, updates its sales orders, purchase orders, delivery dates, and more. KIC can also run reports on vendor performance every month to ensure that vendors are helping them provide top quality wheel ends to their customers.

KIC has also seen a significant improvement in reporting, both out-the-box and customized. “For the people who are in SAP Business One day-to-day, it is a great product because it’s straightforward and intuitive,” says Hatton, “They can create more customized reports to get more granular data.”

Employees who do not use the tool every day rely on the templated reports in SAP Business One to get a full view of the business. They are able to easily view a snapshot of a subset of customers, statistics about their performance this year compared to the previous year, how a certain product is performing, and much more. The employees that use SAP Business One on a daily basis are able to run queries, write basic sequel reports, and utilize drag and drop features to get more customized reports.

As KIC continues to expand its operations, SAP Business One provides the scalability to support additional business functions. KIC is adding a light manufacturing warehouse in the Midwest. SAP Business One already possesses the necessary features to effectively track inventory movement across warehouses using bin locations and FIFO picking.



Working with implementation partner, Vision33

Vision33 helped KIC streamline their business processes and find efficiencies that will enable sustainable growth. The knowledgeable and experienced team of consultants at Vision33 provided a hands-on approach to meet KIC's unique business needs.

Bringing extensive business process knowledge, detailed product expertise, and innovative strategies, Vision33 helped KIC unlock the potential of SAP Business One so that they could continue to grow and be successful in a very niche market.

"We chose Vision33 over other SAP Business One partners because of their exceptional sales and customer service team," says Hatton. "I was impressed by the fact that the certified team of consultants assigned to our projects were not only software experts, but they were also CPAs. As business process implementers, they not only helped us move to SAP Business One, but they also gave us insight as to how to structure our business to be even more efficient."

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