



Conrad Operational Excellence

The Story

A-B Emblem is a custom manufacturer and distribution company that produces emblems, patches, and insignia for companies around the world. The company is the North American division of Conrad Industries, an embroidery company founded in 1892 in Germany. AB Emblem boasts thousands of clients, including **NASA, R.E.I., Boy Scouts of America, Girl Scouts of America**, and more. The **126-year old** family owned corporation boasts up and coming **six generations** of swiss embroiderers.

Conrad is actually made up of seven separate divisions: three factories located in Mexico, China, and the U.S. As well as four distribution divisions, A-B Emblem is the largest division of the company and the dba for Conrad Industries.

The company produces over **seventy million patches per year** which does not include their other retail product options. The company as whole has an annual revenue of **about 18 million dollars per year**, currently.

The Challenge

Tradition, excellence in craft, and innovation have been the foundational elements of the company since the beginning. For most of the company's history – the internal processes were running through a paper-based system. When technology first started to take off – **Conrad was at the forefront**, introducing IBM computers and customized software. Over time, the company began to outgrow their system and technology raced forward. Customized programs, MS Excel, QuickBooks and a variety of other tools became the core ERP system, but it was still convoluted, disconnected, and produced a lot of overhead. **It was a paper-based system that was pretending to be digital.**

The Turning Point

In July of 2017, Heather Johnson, the Compliance officer for the company discovered a No Code/ Low Code software platform called **Kintone**. She partnered with Ruth Plemmons, A-B's purchasing manager and the two began to tackle a specific shipping issue mitigation process. The process itself took almost **three days** to complete because of how the data came to Ruth. The entire goal of the process was to mitigate shipping issues ahead of time. Because of the length of time it took to consolidate and analyze the data – **the process was set up for failure** from the beginning.

After less than a month of learning the new software, redeveloping the process, and getting feedback from suppliers – Ruth and Heather took the **three-day process down to three minutes** using Kintone. By the end of the first development period (less than two months) – **an entire Supplier Portal**, consisting of 12 suppliers, 14 users, as well as about 5-6 apps to manage internal purchasing processes, was completed and implemented.



The Revolution Begins

At first, Kintone and its **digital transformation capabilities** stayed isolated within A-B's Purchasing department. Ruth became the department's main Citizen Developer.

In the first quarter of 2018 – Kintone began to gain momentum throughout the rest of the company. Heather was given the responsibility of trying to redesign the company's manual quote system within Kintone. The quote system was a huge part of the main framework of the entire process. It drove almost all of the other supporting processes. Correcting the main part of the system would enable Conrad to begin making **significant improvements** to the rest of their internal processes; the main goal being to **better serve the company's thousands of customers**.

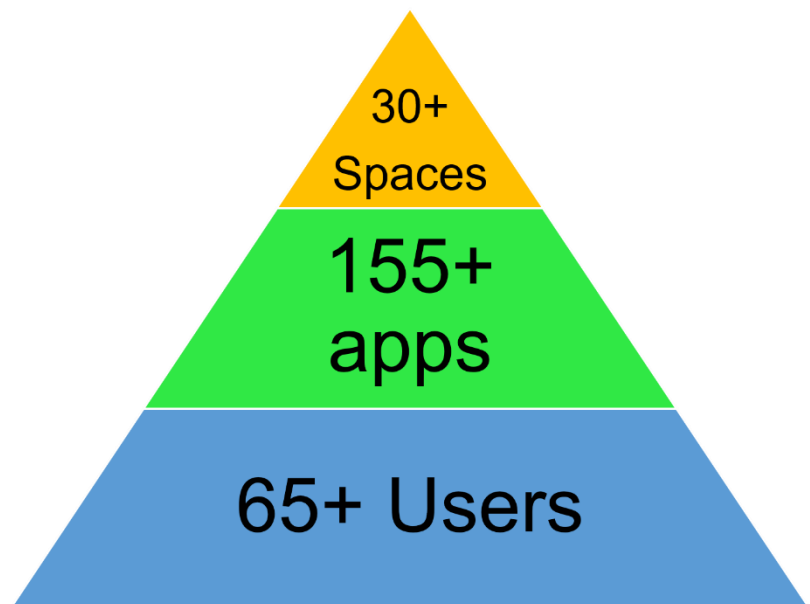
Heather worked with the Kintone team, Ruth, Sandy Parrot, the National Accounts Manager, and John Lindsey, the National Sales Manager on the larger project. Their efforts were met with wild success and enthusiasm. The Project was completed within **3 months** and implementation began in the 4th month. **Employees were also included** in this second round of development and **their expertise finessed** the new quote system further.

Because all of the processes are tightly linked – the redesign of the quote system also included the **redevelopment** of the company's large, multi-company design team processes as well. The design team consists of three of Conrad's own companies (U.S., Mexico and China), as well as individual and third-party contractors, a total of 16 designers and digitizers. This created a seamless process between Conrad's Customers, Sales Team, Design Team, Purchasing Team through to the Suppliers.

Redevelopment of the entire company's system (eventually including all of the smaller divisions) had officially begun.

The Numbers

To date, Conrad's system boasts impressive numbers as their development and **continuous improvement efforts continue**. As the system grows – it remains streamlined, simplistic, effective, and fast; gradually incorporating more and more processes to help reduce overhead for the employees, minimize mistakes, streamline supplier interaction, and improve customer service.





The Real Results

These are just some of the improvements the company has begun to make.

Development time is hours and days in Kintone for most of the smaller continuous improvement projects. Larger projects are taking and are projected to be **less than 6 months** of active development; unlike most digital transformation projects that can sometimes take over a year depending on the size of the project.



Previous 3-day process –now takes **3 minutes (or less)**

Eliminated an entire role – reduced admin process down to **2 clicks**



Eliminated **at least 30-40** duplicate steps (that's just one process)

Overwrote almost entire system in about **3 months time**



\$250,000+



<15%



Room to Grow!

The Savings

Digital transformation, particularly for **small to medium size businesses**, can be almost unobtainable because of the costs and overhead associated with them. When Conrad was investigating Supplier Portals – the estimated starting costs were anywhere between **\$15,000 and \$20,000**. The Upper Management team had already investigated potential solutions from other companies and were quoted almost a **quarter of a million dollars** to produce the system that Conrad would need. To date – Conrad has spent **less than 15%** of that original quote and has developed a huge part of their system that's customized to fit their needs.

The Future

Conrad has made significant strides with Kintone in a short amount of time and has multiple projects in process to continue to improve the company's internal and external processes for every division. The Conrad team works closely with the Kintone team to produce **sophisticated customizations** and the upcoming projects are no exception.

Some examples are below:

- A **small orders website** where customers can place their orders online and the system will be synchronized with the company's internal system.
- Incorporating an **order processing system** that will replace QuickBooks and provide a seamless process for their distribution divisions.
- **Factory processes to improve** production time, efficiency, and reduce administrative overhead

Thanks to the **leadership and freedom** the Co-CEOs, Paul Conrad and Andrew Nagle, provide their middle management and support teams – new ideas are able to be investigated, tried, tested, and implemented.

The **aggressive and persistent** development tactics, of Heather, Ruth, Sandy, John, and the rest of the team are producing results and making a gradual impact. Conrad still has a long way to go, as putting a 126 year-old company through a digital transformation process is not easy. However, as the team relies on the foundational strengths of the company: tradition, family, excellence in their craft, innovation, and taking risks – the Conrad Company will be able to move forward into the 6th generation and beyond.

