

Sage 500 ERP | Customer Success

Sage 500 ERP Delivers Powerful Return on Investment for Power Curbers

Through half a century and three family generations, Power Curbers, Inc. has grown into the largest manufacturer of its kind in the world. The company designs and builds slip-form pavers, large mobile machines that extrude concrete curb. Power Curbers' equipment is sold worldwide to contractors, municipalities, and governmental agencies. For the past three years, the company has managed its manufacturing, distribution, and financial operations using Sage 500 ERP.

"We had expectations that the software would increase our efficiency, but Sage 500 ERP has far exceeded any expectations we had," explains Craig Neuhardt, operations manager at Power Curbers, "We're realizing enormous labor savings, significant cost savings, and producing a better product as a result."

Things Were Not Always So Good

Sage 500 ERP was implemented after a long and expensive implementation of Baan ERP. "The Baan system was very inflexible, difficult to customize, and expensive to maintain and upgrade. It was also very hard to learn," recalls Neuhardt. "I went through three order-entry clerks who quit because it was so hard to learn and use."

Neuhardt recalls that month-end closing procedures were complex and time consuming, with the process often taking 20 business days. "With Sage 500 ERP we're done in a day and a half," says Neuhardt. "It has completely changed our accounting department from one spent chasing last month's numbers to a forward-looking department focusing on managing this business."

Becoming Lean

Lean production techniques are popular among forward-thinking manufacturers, and Power Curbers has embraced the techniques wholeheartedly. Lean production is aimed at the elimination of waste in every area of production including customer relations, product design, supplier networks, and factory management. Neuhardt says that Sage solutions have helped in every area.

*Sage 500 ERP was named Sage ERP MAS 500 when Power Curbers, Inc. initially implemented this solution. The product names have been updated in this case study to reflect current naming.

Challenge

Existing Baan ERP system was inflexible, difficult to learn and to use, and prohibitively expensive to maintain.

Solution

Sage 500 ERP with its full suite of manufacturing and financial modules has allowed Power Curbers to implement lean production techniques that curb costs and increase efficiency.

Results

Sales are up 30% a year and profitability is up 50% a year. Three administrative positions were eliminated. Inventory turns have tripled. New machines are produced 25% faster. Savings have allowed the company to eliminate its short-term debt.

Customer

Power Curbers, Inc.

Industry

Construction

Location

Salisbury, North Carolina

Number of Locations

One

Number of Employees

100+

System

Sage 500 ERP



With the help of its Sage Business Partner, Power Curbers changed the way it accounted for its production, implementing lean production techniques. Now, rather than accruing costs associated with a particular machine, those costs are directly expensed. “It saves us from touching the same transaction more than once, which is lean, efficient, and labor saving,” explains Neuhardt. “Instead of receiving a part into inventory and then issuing it to production, we expense it directly to the machine. It allows us to know on a daily basis how each value stream is performing. We’re working with today’s numbers, not last month’s numbers—which allows us to react quickly. If the software was anything less than what it is, this would not be possible.”

Power Curbers uses the Sage 500 ERP manufacturing suite of modules and the Project Accounting module to track its machines throughout their life cycle. “With Sage 500 ERP, we have a live scheduling and project management tool that both manufacturing and salespeople can use. We can even run profit and loss statements by machine so we know exactly what we made on each job.”

Curbing Costs

“We’ve easily eliminated more than 150,000 pieces of paper that used to flow through this facility,” says Neuhardt. Shop drawings, purchase orders, invoices, and statements are routed electronically, and journals and registers are substantially shorter, due to the reduced transaction count.

As a result of the move to lean production, Neuhardt says the company was able to reassign three employees away from administrative tasks and on to revenue-generating tasks. “When we eliminated the data entry associated with all of those transactions, it freed up our staff’s time to do more productive things,” he says.

The company introduced an all-new machine this year, the first since switching to Sage 500 ERP. “We started out producing this machine 25 percent faster than our old machines, largely because of the steps and transactions we’ve been able to eliminate.” Another benefit Power Curbers enjoys is a substantial two-thirds reduction in its warranty costs. Neuhardt attributes this savings to the fact that with more frequent inventory turns, components are fresher and less likely to fail. “Our customers are getting a better product, and we’re able to build it faster,” says Neuhardt.

Substantial Return on Investment

The company’s return on investment is enormous—and companywide. The company eliminated 100 percent of its short-term debt and is investing the savings in a new, large manufacturing facility. Sales are up an average of 30 percent a year, and profitability is up nearly 50 percent a year. Inventory turns have increased three-fold. “Before Sage 500 ERP and lean production, we saw three or three-and-a-half inventory turns a year,” recalls Neuhardt. “Last year, we saw 12 turns.” In the same time period, the company’s sales increased by 35 percent, with no new hires. “Our sales per employee have tripled,” notes Neuhardt. And Power Curbers ensures its employees have a share in these savings. “Last year, the employee bonuses awarded under the company’s profit sharing plan nearly tripled.

The Sage 500 ERP solution is adding value beyond Power Curbers’ expectations. With savings and efficiencies reaching every aspect of the business, Neuhardt couldn’t be more pleased, “I’d put Sage 500 ERP and our reseller up against anybody else—or any system—anywhere in the world.”

About Sage

Sage North America is part of The Sage Group plc, a leading global supplier of business management software and services. At Sage, we live and breathe business every day. We are passionate about helping our customers achieve their ambitions. Our range of business software and services is continually evolving as we innovate to answer our customers’ needs. Our solutions support accounting, operations, customer relationship management, human resources, time tracking, merchant services, and the specialized needs of the construction, distribution, manufacturing, nonprofit, and real estate industries. The Sage Group plc, formed in 1981, was floated on the London Stock Exchange in 1989 and now employs 12,300 people and supports more than 6 million customers worldwide. For more information, please visit the website at www.SageNorthAmerica.com or call 866-996-7243. Follow Sage North America on Facebook at: <http://www.facebook.com/SageNorthAmerica> and Twitter at: <http://twitter.com/#!/sagenamerica>.
