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David Nemcsik, operations manager, Control Design

***CONTROL DESIGN, INC.***

***INDUSTRIAL CONTROL PANELS***

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**The Made2Manage Enterprise Business System Helps Control Design Conquer Growing Pains**

As it approached its 20<sup>th</sup> year in business, Control Design, Inc., was at a crossroads. Its revenues were steady, but its market was changing. The company needed to change as well in order to achieve its goal of not just maintaining, but increasing, sales.

Market forces already had fostered some changes for the Pittsburgh-based manufacturer of electrical control devices. For instance, when it opened for business in 1980, Control Design was a small job shop, building one-of-a-kind control panels for engineering companies in and around Pittsburgh. By 1998, Control Design was a \$5-million-a-year enterprise with 45 employees. It also was generating close to 60 percent of its business from standard product lines that it sold to a wide variety of customers, including a number of multinational original equipment manufacturers (OEMs) that incorporate Control Design devices into their products.

To meet the demand for its standard products, Control Design had to adopt a repetitive style of manufacturing. And it was clear that Control Design’s original means of managing its business—primarily through manual processes—was no longer adequate, particularly if the company wanted to continue to grow.

To address this issue, Control Design turned to Made2Manage Systems, Inc., a premier supplier of enterprise business systems for mid-market manufacturing enterprises. Based in Indianapolis, Made2Manage Systems offers a complete business system, containing all of the applications and tools a manufacturing company needs in today’s ever-changing business environment.

Control Design recorded a 20 percent increase in sales at the end of its most recent fiscal year, and its management team attributes that boost to the competitive edge the company gained by adopting the Made2Manage Enterprise Business System. “This system sets us apart from our competition,” says David Nemcsik, Control Design’s operations manager. “It has made us more efficient, improved our productivity and, even more importantly, given us real-time access to detailed information that we can pass on to our customers. That is something we never had before, and that is what really sets us apart from the competition.”





## Boosting Profits

In addition to helping increase sales, the Made2Manage system is having a positive impact on Control Design's profit margins. "With our manual system, we had to type all of our purchase orders and invoices," says Bill Small, general manager at Control Design. "If we continued to operate in that fashion, we would have had to increase our staff by a minimum of three people in order to manage the growth that we experienced over the past year. Now, with the Made2Manage system in place, we are positioned to continue growing without significantly increasing our staff."

Other benefits that translate to higher profits include the ability to gather cost data while jobs are in progress. "That allows us to set prices based on our actual costs," Nemcsik says. "With our previous manual method, cost data lagged two to three months, so we were often making decisions based on old information."

Nemcsik, who headed the five-person team that was charged with selecting and implementing Control Design's first enterprise business system, says Made2Manage was chosen over seven other packages because it was the only one that demonstrated the potential for helping the company achieve all of its business goals. "The Made2Manage Enterprise Business System addressed 85 percent of the things we wanted to accomplish when we purchased it," Nemcsik says. "Since then, through training and some minor tweaking, it has given us the additional 15 percent."

Control Design's first goal was a seamless flow of information between functional areas. "We wanted to pass information from estimating all the way through invoicing without having to retype anything," Small says. "The Made2Manage business system handles that quite well. Our estimators now convert their estimates into bills of material that are passed on to purchasing, which uses that information to automatically create purchase orders."

Small took an immediate liking to the Made2Manage system, but he wasn't completely sold on it until he met the Made2Manage Systems staff. "We toured their headquarters and met with their people," he recalls. "We knew the system would accomplish our goals, and we liked the fact that it wasn't priced out of the ballpark. But we also needed to feel comfortable about the people we were doing business with, and we got a good feeling from the Made2Manage Systems team."



## Total Support

Nemcsik credits the training and support that Made2Manage Systems offers for much of Control Design's overall success with the system. Months before its system was installed, Control Design's five-person implementation team attended a three-day course covering the fundamentals of the Made2Manage system. When that course was completed, each person on the team took separate courses designed for their specific business disciplines—such as manufacturing, accounting, purchasing and sales—that qualified them to train others in those departments.

Nemcsik used knowledge gained in his training sessions to create a training manual for the manufacturing staff. He also loaded real data related to Control Design's products into the system's

database so it could conduct realistic exercises. “The data was based on what we do,” Nemcsik says. “People could look at a screen and see something that made sense to them. That paid off when the system went live. Most of our users had a good sense of how to use it.”



These days, Nemcsik sends people in need of system training to virtual classes at M2M University, a new continuing education program. M2M University started as a subscription-based service offering a year of unlimited training for all of a company’s employees for a single flat fee. Now, companies can sign up for multi-year subscriptions. But the fee still covers unlimited access to M2M University courses for all of the company’s employees during the term of the subscription.

The complete M2M University curriculum includes traditional classroom training offered at Made2Manage Systems’ headquarters in Indianapolis and regional training centers around the country as well as self-paced, computer-based training. The virtual classroom option, added in January 2000, involves courses led by experienced Made2Manage Systems staffers with students listening in via Internet-based audio links or telephone lines. Students also have access to a special section of M2M Expert, ([www.m2mexpert.com](http://www.m2mexpert.com)), the company’s customer service Web site, for downloading course materials, including a database that the instructor will use when running through various course exercises.

### **Inherent Flexibility**

“We have had a number of people take the virtual classes,” Nemcsik says. “I wish they had been available when we started with the system. One of our new employees just finished accounts payable training in a virtual course. Having him take six hours of training over two days was more beneficial than having someone else spend time with him showing him the basics.”

Control Design employees also regularly avail themselves of Made2Manage Systems’ online technical support. These services include a bulletin board, where users can ask and answer questions, and a knowledge-based software program, called Ask Expert, that offers troubleshooting tips based on information that users enter about their particular problems.

“We recently had a problem in which we were getting inaccurate figures when the system calculated employees’ labor hours,” Nemcsik says. “I went to the Ask Expert page on the M2M expert site and immediately found a solution for that problem.”



Nemcsik says the inherent flexibility of the Made2Manage system has enabled him to develop his own solutions to key business issues. One example is Control Design’s method of estimating labor hours based on the standard components necessary to manufacture the product. “To calculate our direct cost, we have to include both a labor factor and a material factor,” Nemcsik explains. “But most systems only allow for including the material factor in a cost calculation. With the Made2Manage business system, we could take a user-defined field, name it ‘labor hours’ and include that factor in our cost calculations. When we quote a job, the system multiplies each component’s labor factor by the component quantity and then adds these extended labor factors

together, giving them an approximate total labor factor in hours for the job. Then they were able to take this labor factor and apply it to the routings to agree with the labor estimate.

“I didn’t see that type of flexibility in any other system,” Nemcsik continues. “In fact, when we talked to other vendors about how we wanted to calculate our costs, they said their systems couldn’t do that. Made2Manage told us it would be a piece of cake.”

Overall, Nemcsik concludes, the Made2Manage system has given Control Design “much more than we expected.” Before installing the Made2Manage Enterprise Business System, Nemcsik says Control Design production supervisors had to call or visit the purchasing department to find out the status of parts that might be holding up a production schedule. “And they often had trouble getting answers, because the buyer was busy with other things. Now, our production supervisors can go into the system and get the information they need to get their jobs done.”

Considering how its business has changed over the past two years, Nemcsik wonders if the company could have survived without the Made2Manage business system. “Two years ago we were shipping 50 or 60 larger job orders a month,” he says. “Today we are averaging close to 250 smaller job orders a month. I couldn’t imagine handling that volume without the Made2Manage system.”

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