



MADE2MANAGE[®]
S Y S T E M S

CUSTOMER PROFILE

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Stan Oskiera, vice president of operations, Edmund



Edmund Industrial Optics

Made2Manage Gives Edmund Industrial Optics a Clear View of Critical Data

Edmund Industrial Optics (Edmund) is known for its excellence in producing high-quality industrial optics lenses, ranging from the simplest designs to the most complex customized optical coatings. With eight global locations, the company manufactures and distributes more than 7,000 optical components, supplies and assemblies, as well as complex vision systems used for quality inspection and high-speed production application. Established in 1942 and privately held, Edmund has led the industry with innovative industrial optics products and a reputation for excellent customer service. Edmund's 350 employees are committed to the success of the company's mission to expand its global presence, which already includes sales offices and/or manufacturing plants in Singapore, the United Kingdom, Japan and Germany.

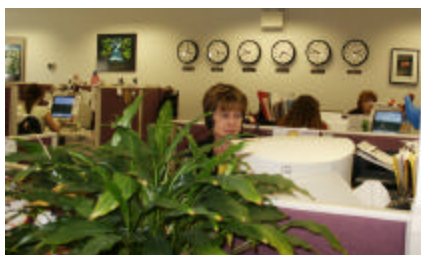


The Challenge: Replacing an Outdated Legacy System

As Edmund expanded its global operations, it became clear that the company's existing system could not support its rapid growth and the necessary changes in business processes to maintain operational efficiency.

Prior to implementing the Made2Manage[®] Enterprise Business System, Edmund had to deal with many challenges associated with its legacy system. Technical support for this system had expired years ago so Edmund's internal IT staff were constantly required to develop programming "patches," an expensive and time-consuming task. In addition, the system was unable to support Edmund's compliance with customer background checks for sales of various products.

Edmund's legacy system also did not allow integration of core business processes. The company's accounting department, for example, used a completely different software program than other departments.



Throughout the organization, manual tasks and lack of data visibility hindered efficient communication and collaboration among Edmund's departments, resulting in frustration and the desire to improve productivity. For example, all purchase orders were handwritten and then typed into the legacy system, creating the potential for errors. In addition, customer service representatives were not able to provide accurate delivery information immediately to customers since they

could not pull real-time data from the legacy system. On the distribution side, high inventory levels were cutting into Edmund's bottom-line profitability.

"Reports and data rarely matched, and inventory was growing at a steady rate," says Stan Oskiera, vice president of operations at Edmund. "About three years ago we decided that we needed an integrated system that would help manage inventory, finance and sales/distribution at a higher level. We lacked the critical information needed to make complex decisions on a timely and efficient basis."

"Edmund was growing fast with multiple locations around the globe," adds Stewart Freedman, director of information systems at Edmund. "We were dealing with several thousand vendors with a fluctuating demand from our customer base, which is made up of one million customers, prospects and contacts. Further expansion into new markets was another challenge. In addition to operating a large distribution center that services customers around the world, Edmund was considering the purchase of two manufacturing operations. The changes were occurring so quickly that the old system required more support and specialized programming than we wanted to invest in."

The Made2Manage Solution: Successful Integration of New Technology

Edmund launched a search for a new, automated system with robust integration capabilities and ultimately selected the Made2Manage Enterprise Business System from Indianapolis-based Made2Manage Systems Inc. as the best solution for their needs. Implementation of version 4.x of the Made2Manage system began in March 2001, and went live in February 2002. Edmund selected the Microsoft SQL Server database option and, to date, has adopted the following Made2Manage modules: SMS data collection (RF), Clippership for UPS and Fed Ex shipment, ABRA and ADP for payroll, and Made2Manage Customer Relationship Management (M2M™ CRM).



According to Freedman, Made2Manage consultants provided vital professional assistance to overcome several obstacles during the implementation and in the first few months after the system went live. A series of changes to the modifications in the sales modules, as well as data conversion issues, delayed the launch date for one month, but Freedman says that these changes were vital to achieving improved customer service.

"Nearly all of the Made2Manage system modifications were geared to sales because Edmund's goal is customer satisfaction. That includes improving the ability of our call center representatives to handle orders and questions. We also wanted to reduce the number of abandoned calls, which resulted in lost business," Freedman says. "That's why we kept making changes to the sales modules up until the moment that we went live. All the while, the Made2Manage consultants worked with the Edmund management group to help us work through those issues and ultimately have a successful implementation."

Data conversion was another obstacle, since much of the sales order, invoice and purchasing information that had been produced manually was riddled with inconsistencies. During the first month after the implementation, small teams consisting of Made2Manage consultants and Edmund staff worked to identify and rectify problems, resulting in the introduction of many new, streamlined procedures.

Freedman also notes that while Edmund's staff was excited about the new Made2Manage system and its benefits, they were still concerned about the changes the new system would bring to their jobs. Programmers, for example, had to learn SQL, while the hardware group had to learn how to set up the SQL servers and barcode devices. Made2Manage and Edmund management supported the staff's efforts with virtual online courses from M2M University and several specialized departmental training sessions. Edmund employees also had access to M2M Expert, Made2Manage's online information and troubleshooting resource.



"With more than 45,000 items, one million customers and contacts, and nine servers running Made2Manage, plus a terminal server and offshore connections through VPN, a tremendous amount of new technology and programming had to come together. It did, and I feel that Edmund was very successful in the implementation and use of the Made2Manage system," Freedman says.

The Benefits: Decreased Inventory Saves \$1 Million

According to Oskiera, the unprecedented data visibility provided by the Made2Manage system has helped Edmund reduce inventory levels for a savings of \$1 million in just nine months. Inventory integrity is also extremely tight as a result of how seamlessly the data flows through the Made2Manage system. In Edmund's pick-and-pack operation, shipment information is transferred via barcode into the Made2Manage system for real-time availability of tracking numbers and other key data.

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Since the Made2Manage system went live, with continuing improvement Edmund has also posted a 91 percent fill-rate, a 3% improvement in one year in making on-time shipments, and has reduced back orders by more than 40 percent. Operationally, the Made2Manage system's planning and scheduling modules help plant management maximize utilization of capacity, maintain more accurate job costs, and provide the real-time data needed to establish more profitable product pricing.

"The Made2Manage system was purchased and implemented primarily to address the growth of inventory within our organization and improve customer service, and it's exceeding our expectations," Oskiera says. "Made2Manage's Demand Planning, for example, allows more accurate forecasting to move our organization to the next level. The Edmund purchasing department now has tools to effectively buy product based on demand, making employees more effective and efficient in responding to customers' needs.

"Also, our sales department is able to enter orders quickly and still check for restrictions, while taking advantage of multi-catalog and multi-tier pricing," Oskiera adds. "Accounting now interfaces with the rest of the company and purchase orders are entered in one quarter of the time. All in all, Made2Manage has helped our company maintain success and a competitive advantage even in tough economic times."

The enterprise-wide benefits of the Made2Manage system have also improved the communication and collaboration among Edmund's headquarters and international offices. "We will have the ability to extract and evaluate critical sales, costing and inventory data on a timely basis for better strategic planning, critical decision making, and data sharing throughout our organization," Oskiera says. "Now we are able to share this data in real time with our remote offices in the United Kingdom, Japan, Germany and Singapore on a daily basis."

As Edmund continues to grow and expand its market leadership, the Made2Manage system will grow with it. Edmund is developing Web and browser products that will pull data from Made2Manage for customer service and Web access. "Some modifications are still in process and, overall, we're moving ahead quite smoothly with the Made2Manage system," Oskiera says. "We are confident that the Made2Manage system will continue to contribute to our success."

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