AFF Group Gains Access to Critical Data for Growth

AFF | group

OVERVIEW

American Foam & Fabric, now AFF|group, is an industry leader in aftermarket textiles for the automotive, marine, retail and hospitality industries. Prior to being purchased from its founder, the 29-year-old company was running an outdated and limited version of Sage, and the company lacked formal systems and processes. Needing access to information and to implement barcoding, AFF|group implemented cloud-based Acumatica, improving inventory management, connecting disparate data silos, gaining insight to make better decisions.

KEY RESULTS

- Improved business processes company-wide, streamlining operations
- Acquired accurate real-time information, reducing errors & improving customer experience
- Eliminated manual, paper-based workflow, saving time and money
- Increased production without adding staff, investing for the future
- Accelerated inventory turns, better using stock on hand, driving efficiency
- Real-time reporting through the use of dashboards

CHALLENGES

American Foam & Fabric, now AFF|group, is an industry leader in aftermarket textiles, including products for the automotive, marine, retail and hospitality industries. The 29-year old company makes aftermarket products used to repair or refurbish trucks and cars, such as a new ceiling headliner. AFF|group also distributes high-quality leather goods, fabric, foam and vinyl serving the hospitality and marine industries.

The company sells its products to regional and local distributors shipping its soft, light and often bulky products nationally through its own fleet of trucks as well as a number of LTL carriers. It purchases product domestically and internationally, bringing in several hundred containers and trucks per year.

AFF grew steadily in sales under its retiring founder, who did a great job of building the company primarily on hard work and intuition. Prior to the sale, AFF|group's growth had stagnated because of its centralized decision making, a lack of information, and a lack of formal systems and procedures.

New management, led by Ben Leinster, CEO and Mark Smith, CFO, saw tremendous potential in the established business. Having run several companies the size of AFF|group previously, the new team knew putting new systems into place, creating formal procedures and changing the company culture could allow them to double revenues without adding significantly more people.

First, the company needed to find a better financial system. The company used an outdated version of Sage for accounting, customer service, billing and order entry. "There was no inventory module, no manufacturing MRP or creation of jobs in the system," Smith says. "All products were expensed at the time of purchase. Inventory was estimated at year end, and the company used spreadsheets to try to keep track of high-turnover items."

As a result, all financials were inaccurate, inventory control was non-existent, and production was a build-to-order system where someone chased down materials to get a product made and then it shipped out the door.

"There was an awful lot of what I call scrambling," Smith says. "Just grabbing things off the shelf and keep going."

One of the first tasks was to learn what AFF|group actually had in inventory so they could make better use of the stock on hand. As an example, employees pulled product off the shelf with no process to make sure inventory from 2017 was pulled before that of 2019. New management knew a barcode system would also help better track inventory, but also understood they needed a better financial system for the data to flow into.

Company
AFF | group
www.affgroup.com

Industry
Manufacturing and Distribution

Number of Employees
Approx. 50 full time employees

Location
Lyman, South Carolina

Products
Acumatica Customer Management, Acumatica Manufacturing Edition with Financial Management, Order Management, Inventory Control, and BOM, MRP, Production Management, Advanced Planning & Scheduling and Configurator

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One of the early decisions was to move AFF|group's headquarters into its 440,000 square-foot production facility and begin instituting formal processes and systems that the company lacked. Doing so meant creating a new culture, one driven by process, automation and information. It wasn't easy. Employees, many of them tenured, were used to doing things their own way, and many were not familiar with barcode scanners or formal warehouse systems.

SOLUTION

Smith led the team that looked for a financial platform for growth, comparing four or five ERP systems. "We wanted something in the cloud and knew it would cost too much to get Sage to the point where it needed to be," he says. "There was no point on staying on an old archaic system."

He narrowed his list to Acumatica and Oracle NetSuite, choosing Acumatica because of its pricing structure and mobility features, which allows the sales team to view inventory at a customer site from their smartphones. He also liked Acumatica's open API, flexible cloud platform.

And "because I felt we would get better attention from Acumatica and I had a lot of confidence in (Acumatica implementation partner) Blytheco, which recommended Acumatica," says Smith, adding that Blytheco was already the company's long-time technology partner.

New Management, New Processes, New System

New management decided to implement Acumatica as fast as possible to get everyone moving in the same direction. They know it was a tough ask for the employees to deal with a new management team, a major move, new ways of doing things, and a new technology system all at the same time.

While Acumatica itself did not require an additional investment in technology, AFF|group invested in more than 20 wireless access points for the warehouse for barcode scanners, a needed investment, Smith says.

"We had been running the business for six months when we decided to move to Acumatica, and then we went live relatively quickly," Smith says. "We made the decision to go to game speed rather than delay the Go Live as the team adjusted to the new technology. Once we turned everything on and we ground to a halt."

Management knew they were asking employees to drink from a fire hose by asking everyone to use a bar code system when only one of the 45 employees had used one before. "It was very challenging," Smith says.

But it was a risk they were willing to take, and an investment the company had to make in the team, knowing how much easier it would be for the company to double production while making processes and tasks easier. "It's hard to actually get people to change what they are doing," Smith says. "We had to change every process in the building."

For example, employees learned how to close out a job before it went to the warehouse, and that they couldn't just throw something on a truck without accounting for it. "It's painful to change when you've been doing things the same way for a long time," Leinster says.

BENEFITS

Access to Information Allows AFF to Double

With Acumatica, everyone at AFF|group has access to accurate information, which is helping them make informed decisions and be more efficient. The company also gained a platform for growth.

"New processes are in place, we have greatly reduced the amount of paper used and the hours needed to process it. We had reams of paper and people processing paper," Anita Easler, Customer Fulfillment Manager says. "We want our business to be as paperless as possible, and we couldn't do that with Sage or the processes we had. Now that we are in the cloud, we can use a phone or iPad to access information."

Additionally, implementing MRP or Material Requirements Planning "has been a game changer," says Cory Childers, Production Manager. "We never had that. We didn't know what was on order or what to make until we reviewed the order. Now the computer tells us what to make and when to make it."

When AFF|group catches an error, it isn't because they just missed it or because someone lost a piece of paper. They can find whatever information they need in Acumatica.

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> *"With Acumatica, we can double the size of the business without doubling the space and the people because we have power in the information. We can work more logically, provide better service and save millions in labor by not having to double the staff size."*
>
> – Ben Leinster,
> CEO,
> AFF | group

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Manufacturing, Deliveries More Efficient

AFF|group has two primary manufacturing areas. One requires a shop floor data collection system (SFDC), which AFF|group is currently implementing. The other manufacturing area has gone from being late with everything to being on time with almost all orders, which means trucks are getting out on time.

“People previously had to wait to get product and wait to load trucks,” Smith says. “Now we don’t have that problem. Everything is made to stock and everything is ready. We typically had to wait for production to cut hundreds of pieces of foam to fill our Florida truck on Monday morning, and this week we only had to wait for them to cut two.”

“For us, the power of the Acumatica system is in the WMS and shop floor data collection, the inventory management, and the ability to deliver to a customer and to get things right,” Leinster adds.

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