Acumatica The Cloud ERP

Accordant

Customer Success

Acumatica Manufacturing Drives DiamondBack Truck Covers' Fast Growth with Greater Efficiency and Flexibility

DIAMONDBACK

OVERVIEW

Fast-growing DiamondBack Truck Covers carved out a niche making premium pickup truck bed covers and selling them to consumers. The co-founders grew the company into an innovative manufacturer, but its disjointed technology systems and manual processes hindered its growth. DiamondBack deployed Acumatica Manufacturing Edition, a flexible manufacturing suite that provided end-to-end data visibility, automated processes, and a customizable platform on which to scale.

KEY RESULTS

- Eliminated extra labor devoted to manually transferring data, gaining automated processes that saved 20 hours per week
- Acquired a stable, end-to-end cloud platform, eliminating technology crashes and server babysitting
- Gained a flexible platform with open API, allowing customization according to company needs
- Reduced time from order to arrive at manufacturing floor from 24+hours to 3 minutes
- Reduced time to close monthly books from 3-to-4 weeks to 5 days
- Saved at least 15 hours every week automating freight bill data entry
- Improved inventory management significantly, reducing inventory carrying costs and freeing cash
- Gained bill of materials that improved job costing accuracy
- Improved decision-making with timely access to live data, reducing by 90 percent the time it takes to gather data

CHALLENGES

DiamondBack Truck Covers makes and sells hard-shell pickup truck bed covers direct to customers. The hard covers help truck owners of various models protect and lock items in the truck bed. The company also sells a heavy-duty cover that can hold some 1,600 pounds.

Co-founder Matt Chverchko designed the company's first cover when he and Ethan Wendle were Penn State engineering students as part of a class project. Realizing the size of the potential market, the duo launched the company in 2003 in Philipsburg, PA.

Truck owners loved the product, and soon, the bootstrapped company took off. For the past five years, DiamondBack Covers posted double-digit growth and now boasts more than $35 million in annual sales. That growth helped the company land on Inc.'s 5000 fastest growing companies list annually. DiamondBack now employs 140 at its 40,000-square-foot, state-of-the-art manufacturing facility, a fulfillment center located a mile away from manufacturing, and a marketing and sales office located two hours away in Harrisburg, PA.

The company is a major employer in the small town of less than 3,000 people.

Initially, the company sold its truck bed covers and accessories through automotive dealer distributors, a sale that required customers to visit a dealer physically. In 2010, they abandoned that strategy and began selling direct to consumers, a sale made by calling DiamondBack and ordering over the phone. Seven years later, the company launched a commerce website using Shopify.

"Dealing directly with a manufacturer at that time was really unheard of," says Kirk Davis, Director of Operations. "It really set us apart and allowed us to take better care of our customers and enhance the quality of our products."

DiamondBack Truck Covers ran on QuickBooks and used Shopify, Freightview, Salesforce, and Shoptech E2, a job shop management system for its manufacturing operations. None of the applications were reliably connected, which caused multiple issues and a lot of wasted time coordinating and transferring data.

Company
DiamondBack Truck Covers
https://diamondbackcovers.com

Industry
Manufacturing: Automotive truck covers and accessories

Number of Employees
Approx. 140 full time employees

Location
Philipsburg, PA manufacturing facility, a fulfillment center, and a marketing office in Harrisburg, PA

Products
Acumatica Manufacturing Edition with:

- Shopify Commerce Integration
- Manufacturing Data Collection
- Expense Management
- Multiple Locations
- Production Management
- Warehouse Management
- Deferred Revenue
- 3G PaceJet Shipping Integration
- Bill of Materials and Routing
- Kitting

Customer Social Sharing Details

www.facebook.com/diamondbackcovers

www.instagram.com/diamondbackcovers

www.twitter.com/dbackcovers

www.youtube.com/user/diamondbackcover

www.linkedin.com/company/diamondback-truck-covers

© Acumatica

DIAMONDBACK

> *"Acumatica really changed our ability to give people the tools they need to succeed. And when our people succeed, we can impact the community we live in more and more."*
>
> – Kirk Davis,
> Director of Operations,
> DiamondBack Truck Covers

"As a startup 20 years ago, we created systems based on what was available on a cost-effective basis at the time," says Davis. "We ended up having lots of different systems that were bolted together. That worked for a while, but didn't serve us very well." The patchwork of systems was slow, clunky, and hard to navigate, he says. In addition, they had to add positions to handle data manually as transaction volume grew.

"We had three different systems trying to feed into QuickBooks related to our unearned revenue and prepayments," says Lori Murawski, Director of Accounting. "A lot of information was coming from Shopify, Salesforce, and our E2 system for returns. It took at least two hours a day for an employee to process all the orders that came in."

Assembling and consolidating data to close out a month meant keeping the books open for at least 30 days after month's end to ensure freight data and credit card information were included. Both systems were standalone. It took even more time to gather data to update executives. "We were struggling with getting reporting done in 20 days," Murawski says.

Other operations also suffered from the lack of application integration, says Scott Stilson, Manager of Information Systems. "It was really beginning to slow us down a lot," he says.

E2 operated on an on-premises SQL database that may have been built in the late 1980s, he estimates. "It was very clunky, and three parts of our quote-to-cash workflow were very manual, which we had to throw manpower at to manage."

Babysitting the E2 Import

One of those manual jobs was getting sales orders into E2. "It was someone's entire job to babysit the import because it would sometimes throw error messages – that often were inconsequential – but the import wouldn't continue unless you clicked OK," he says. Unfortunately, the task fell to the shipping manager who was responsible for feeding production. Stilson estimates babysitting the system took about 80 percent of her time, leaving only a sliver of time for managing shipping, leading to frequent bottlenecks.

The E2 import often crashed. "It was harrowing and we'd lose a whole days' worth of accounting because it would often lead to corruption in QuickBooks. It was just terrible, and went on for almost a year. Everyone was always on edge about whether the information would make its way from E2 to QuickBooks."

Manual Shipping Processes

DiamondBack had to hire more people to handle manual shipping processes as it grew. "The problem was there wasn't anything passing the tracking number, the carrier, or the carrier cost back into QuickBooks or other systems from Freightview," Stilson says. "They were manually copying and pasting the tracking number, the carrier's name, and costs into Salesforce, which we used for sales order clearing."

Customer service then had to log into Salesforce if a customer called looking for information. The shipping information in Salesforce "was also serving as a reference point for the accounting team when they needed to match freight bills against what we recorded," Stilson adds. "So, again, when the volume went up, we literally would hire more people."

Payment Matching Game

Once order and shipping information was transferred to Salesforce, it needed to be imported back into E2, so that it could be included in another sync with QuickBooks. Most importantly, these imports synced customer information, but QuickBooks would create new customer accounts if something didn't match exactly, Stilson says.

"Meanwhile we used Authorize.net as our payment processor, and their sync is writing stuff to QuickBooks also, and this sync has fragility problems as well. Part one of what we called the payment matching game was to take the customer identified in Authorize.net and match it with the payment record in QuickBooks. That information then needed to be matched with the invoice, which doesn't show up until the product is shipped, and appears in the E2 sync."

But the invoice isn't automatically married to any customer record, he explains; it just hangs out. "So, the second part of the payment matching game is to match the customer and payment to the invoice, and this was basically all that our AR specialist did because that's all she had time for."

© Acumatica

Inefficient Production Processes

DiamondBack didn't trust E2 data for making purchasing decisions because of the timing of when material was allocated to production orders didn't serve their just-in-time purchasing strategy. Instead, they relied on physical reorder systems and Kanban cards to know when to reorder a component. In addition, that lack of trust resulted in large inventory reserves reconciled during the annual physical inventory count.

"We've grown by an average of over 20 percent per year, which is pretty big for a manufacturing company like us," Davis says. "When we would have a big backlog, we'd have lots of units sold but not shipped. All of that data would be in the system and it would be a stinking mess. The more data was in the system, the slower it ran. It was just so painful."

The combination of all the disparate systems, the time-consuming data shuffles, and the distrust in the numbers "just made us really rigid," Davis says. "We felt like we were in the stone ages of being able to serve our customers. We have lots of SKUs and have to be able to pivot quickly to serve our customers. The previous system just didn't provide for that."

SOLUTION

Acumatica Manufacturing Edition

Before DiamondBack went ERP shopping, the team mapped every process to make operations more efficient. The result was a wish list of 160 items, which they whittled down to 40 after vetting them for business impact and meaning.

DiamondBack evaluated several ERPs, including Rootstock, SAP, Microsoft Dynamics, Epicor, Infor CloudSuite Industrial, Acumatica, and Odoo. They narrowed the list to Infor and Acumatica Manufacturing Edition because the others lacked what the team viewed as easy ways to integrate with other applications, Stilson says.

"Of all the ERPs we looked at, Acumatica looked like the integrations were going to be easier," he says. "We also wanted a thoughtful user interface, which Acumatica was heads and shoulders above anyone else. It was the best user interface of all the ERPs that we looked at."

Adds Davis, "We really wanted something that was really simple. What we do is not that complicated. And we needed something that integrated well with our e-commerce platforms."

Acumatica's flexibility and open API was important because DiamondBack wanted to preserve several of its unique processes that executives knew would require some customization.

DiamondBack created some of those processes using Workato, an integration automation platform that orchestrates processes and offers hundreds of pre-coded connectors that help make company processes more efficient. Acumatica's flexible platform allows many third-party applications to connect to it, which helps small businesses do business their way.

BENEFITS

Real-Time Data Made DiamondBack More Efficient

With Acumatica installed, DiamondBack saved countless hours and became much more efficient because most of its manual data entry tasks were eliminated. No one spends hours entering data into one system then another. The payment-matching chore was eliminated with an automated process. Inventory is accurate and shipping information is automatically shared across departments.

With Acumatica, DiamondBack has an integrated, end-to-end platform that connects all parts of the business and eliminates data silos and individual workarounds. The company gained a single system of record across its three locations.

"Almost all the processes where a human had to intervene are gone," says Davis. Now, those employees work on different, higher-level, value-added tasks. "It's really changed how we use our people because Acumatica and the integrations are doing the work."

Having all information in a single source of truth means employees don't question whether data from QuickBooks matched the data from Salesforce, Shopify, or E2. "Before we had to compile the data and try to reconcile all the systems," Murawski says. "There was always a sense of 'is QuickBooks really right? What does Shopify say?' On the financial side there were a lot of moving targets. Now, everything is in one system."

DIAMONDBACK

> *"The openness of Acumatica makes integrations possible that were completely out of the question before. For example, Acumatica enabled us to build a programmatic bridge between our e-commerce platform that just runs without us having to touch it."*
>
> – Scott Stilson,
> Manager of Information Systems,
> DiamondBack Truck Covers

© Acumatica

With real-time data, “I am able to trace transactions to financials, and we’re actually cycle counting our inventory with Acumatica, so our inventory is much more accurate,” she adds. Murawski and her team can trace through transactions, view return requests, and have improved customer service now that they can pull up order or payment information instantly.

An accounting clerk previously couldn’t trace product costs through activities because the data lived in E2, not the financial system, and thus determining gross margins included some guesswork. Now gross margins are instantly calculated and available.

Determining unearned revenue and reconciling it against pre-paid orders is much more accurate because Acumatica automatically processes the data in the system. “It’s a significant time savings,” Murawski says. “The process was taking (an accounting clerk) at least two hours a day to compile all the orders that came in from the different systems, and now that’s probably down to a half hour.”

Acumatica: An Operational Game Changer

DiamondBack’s improved access to information from order-to-cash, and has made operations much more efficient, says Davis. “Personally, I love that Acumatica has allowed me to have live-time data to make great decisions and get great data to my great people. Acumatica has been a tremendous game changer.”

The company’s costing is more accurate than ever, he says, adding it now tops 92 percent. “We are buying based off of what we see physically in inventory and what the system is telling us and that’s been tremendous.” The company has avoided out-of-stock parts and late part orders.

Rather than waiting for systems to update order information, a process that could take 24-plus hours, Acumatica delivers order information within 3 minutes, he says. “We’re now operating off hand-held devices, which work great.”

Having a single source of data available at its three locations improved customer service. Employees can quickly see at what stage an order is in, whether it be in manufacturing, fulfillment, shipping, or when it is expected to arrive at a customer’s location.

Having information available instantly helped DiamondBack provide better and faster customer service, which is critical when selling direct to consumers.

Flexible, Open Platform

By offering application programming interfaces (APIs), Acumatica makes it easy for businesses to integrate industry-specific or third-party applications best suited to meet a business’s unique needs. For DiamondBack, it was critical that Acumatica connected to Workato, an integration automation platform, which internal developers used to create several processes.

“The openness of Acumatica makes integrations possible that were completely out of the question before,” Stilson says. “Acumatica enabled us to build a programmatic bridge between our e-commerce platform that just runs without us having to touch it.” The company streamlined orders with a custom automated process that grabs shipping rate and booking information out of Pacejet, a third-party shipping application, which passes needed information automatically back to Acumatica.

They also built a process to bring in sales orders and payment information from Shopify via that automated bridge to Acumatica, which then creates an invoice that’s populated with the customer information at the same time. “As soon as everything lands in Acumatica, the accounts receivable specialist has everything she needs. The matching is all done for her,” Stilson says.

Continuous Improvement Boosts Community

The company continues to focus on lean manufacturing principles and continuous improvement as it deploys additional Acumatica functionality and prepares for continued growth.

“At DiamondBack, we want to be a place that employees love to work for and customers love to buy from, and we really want to have a measurable impact in our community,” says Davis. “Acumatica really changed our ability to give people the tools they need to succeed. And when our people succeed, we can impact the community we live in more and more.”

© Acumatica