Portacool Beats the Heat and Elevates Performance with Acumatica Manufacturing Edition

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OVERVIEW

Portacool LLC launched its business 30 years ago. With technological and manufacturing expertise it quickly grew to be an industry leader in the evaporative cooling industry. Operating with a legacy ERP system accompanied by a multitude of spreadsheets was not scalable to handle the company's rapid growth. Portacool deployed Acumatica Manufacturing Edition to optimize business processes gaining real-time data visibility and manufacturing insights from a single platform for data-driven decisions and streamlined operations.

KEY RESULTS

- Implemented a single, connected, robust, modern manufacturing platform to expand into new channels
- Gained real-time operational visibility with embedded apps for manufacturing, including data collection and engineering change control
- Eliminated manual data entry through automated financial reporting for deep business insights
- Created tailored dashboards with real-time production and sales metrics including sales by channel and profitability by SKU, geographic location, and customer account
- Acquired an integrated inventory management solution to automate inventory transactions and warehouse operations
- Attained lot and serialized component and finished goods traceability with detailed manufacturing costs
- Eliminated paper with digital document management in a secure and connected ERP database
- Connected an in-house Quality Control application for improved product quality management and reporting
- Reduced month-end close by 86 percent from two weeks to two days
- Improved cashflow with actionable insights into past-due accounts for prioritized collections activities
- Decreased shipping processing times by more than 40 percent with Pacejet Shipping integration
- Eliminated manual inventory counts, reducing time to complete by 75 percent from four days to less than one
- Secured a 360-degree view of customer interactions with native customer relationship management for improved customer satisfaction

CHALLENGES

Evaporative Cooling Touchdown

If you've ever watched an NFL game taking place on a hot day, you've probably seen the large portable coolers on the sidelines made by Portacool LLC. Those aren't large fans circulating hot air. Evaporative coolers use water to cool air naturally. Water flows from the top of the evaporative media, over, down, and through the media, and then back into the reservoir. Hot air is drawn into the cooler by the fan, using the evaporation process to chill the air.

The innovative cooling units were created in 1990 when building manufacturer General Shelters of Texas wanted to diversify. What the founders invented was the equivalent of two multi-million-dollar products: first, the evaporative portable cooler, and a few years later, the specialized media that chills the air, which they began selling in 1996.

Portacool is a major employer in Center, Texas, which borders Louisiana. In addition to being the only U.S. manufacturer of its evaporative media, the company is the largest rotational molding manufacturer in the nation.

Company
Portacool https://portacool.com
https://thekuuleffect.com

Industry
Manufacturing: Evaporative Cooling Units and Kuul Evaporative Media

Number of Employees
Approx. 400 full time employees

Location
Center, Texas with warehouses in Wilmer, Texas, and Rotterdam, The Netherlands, and a Kuul media manufacturing facility in Malaysia

Products
Acumatica Manufacturing Edition with: Inventory and Warehouse Management, Advanced Planning and Scheduling, Manufacturing Data Collection and Engineering Change Control, CRM with Outlook Integration and Salesforce Sync, Case Management, Customer Self-Service Portal

Advanced Financial Management with: Fixed Assets and Project Accounting, Velixo, Avalara, Native Big Commerce Connector, Dataself, Pacejet Shipping, and SPS Commerce Fulfillment (EDI)

Partner Details

Algorithm

Algorithm www.algorithminc.com

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Portacool's portable evaporative coolers are used in many industries and corporations ranging from agricultural and horticultural applications to manufacturing, industrial, business, entertainment, sports, automotive, home, and hobby—anywhere cooling is needed, and traditional air conditioning is impractical or cost-prohibitive.

The company's founders sold the business after launching and dramatically growing it for 16 years. Swiss investment firm Meier Capital took control of Portacool in 2014. The investment firm hired Ben Wulf as Chief Executive Officer to transform Portacool with new product development, improved manufacturing capabilities, and advance the company's world-class customer service.

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Legacy System with No Visibility

Throughout Portacool's lifespan, executives used a legacy financial system that was heavily supported with spreadsheets. "Everything was a challenge and we lacked visibility," says Bill Ferren, Director of Information Technology. "I realized we couldn't run a business this way. The legacy system had pre-defined workflows that were quite a challenge. It had extremely limited and minimal use on the shop floor and only worked for basic finance, purchase orders, and sales orders. We weren't using the MRP; it was too clunky."

Data was exported and manipulated in Excel. There were no dashboards. The team typed financial statement data into a separate reporting package every month for basic financial reporting. "Tracking costs at a detailed level or reporting by channel, SKU, or at the account level was impossible," Ferren says.

"We didn't know what happened until the end of a month after we consolidated everything on spreadsheets," says Kimberly McElroy, Director of Operations.

Major New Investments

Soon after its purchase, Meier Capital made major investments in research and development, manufacturing, sales, marketing, and customer service for what was later rebranded as Kuul Evaporative Media. At the same time, equal investments were made in its Portacool units, including innovative and sleeker units sold through distributors in all 50 U.S. states and 65 countries globally.

Portacool opened a manufacturing facility in Malaysia in 2017 to support growing demand in Asia. The company also manages a distribution center in the Netherlands to service European customers.

One Version of the Truth Requirement

One of the new investments included replacing its legacy financial system, which could no longer handle the company's accelerated growth. Executives wanted a single business solution to eliminate spreadsheets for a single, accurate, and real-time view of the business. It sorely needed supply chain features to streamline and automate manufacturing, warehouse, and inventory processes.

"One of our goals was to move away from Excel spreadsheets and gain one source of the truth," McElroy says. "We struggled to know if inventory counts were accurate, and we knew our legacy software wasn't going to take us from producing 5,000 units a month to hundreds of thousands."

Portacool realized just how broken the financial system was when it failed to provide the critical data needed to navigate the pandemic. "We had been running the company very well on Excel, but it didn't adapt to changes or supply and demand issues. We had a very good sales year, but we didn't have as much visibility into sales operations," says Ferren.

"We saw orders coming in but had difficulty with logistics and our supply timelines. Our shipment times went from 40 days to 100 days, and we had inventory challenges, and that's where Excel really hurt us."

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SOLUTION

Acumatica Manufacturing Edition Suite

Portacool executives evaluated several ERP applications, including Sage, Microsoft Dynamics, and SAP. They disqualified two ERP vendors at the start because employees' previous experience indicated that an SAP implementation would take two years and Microsoft Dynamics would require extensive process documentation.

Acumatica was a completely new name for Ferren and McElroy. Portacool's technology partner, Algorithm, insisted on showing them Acumatica Manufacturing Edition. As part of their due diligence, Portacool executives agreed to an abbreviated Acumatica demo. "Seven hours into the demo everyone was still in the room asking questions," Ferren says.

Executives learned that Acumatica was designed for make-to-stock, make-to-order, configure-to-order, engineer-to-order, and project-centric manufacturers. They also reviewed native apps to connect data and business processes for engineering change control, production management, material planning, advanced planning and scheduling, estimating, and rules-based product configuration.

They also learned that features—such as kitting with disassembly, matrix items for product families, engineering outside processing, lot and serial tracking, and demand forecasting—could boost productivity across warehouse and factory operations. With Acumatica, they could create production orders manually, from the material requirements planning (MRP), or directly from sales orders.

Portacool was impressed with Acumatica's depth of reporting, ease of use, and seamless connection with leading third-party applications.

"I think the biggest selling point was Acumatica's connectivity," Ferren says. "I've used Avalara, I've used Salesforce, I've used all the popular bolt-ons. So, the seamless transition to other applications was a very nice feature. I was also excited about the ability for teams to personalize the screens to what they needed to see, that Acumatica was created on an open framework and that it uses C# and Visual Studio."

"The user-friendliness sold me," McElroy says. "I also loved that Acumatica is cloud-based so when we do work from home, we can easily conduct business with continuity. Before we had to log into a VPN and our system was a nightmare."

Rapid Deployment

Prior to implementation, Director of Finance and Accounting Stacey Mikesh helped streamline procedures to make the company more efficient. He also reset a financial foundation with clean and meaningful data for continued growth. The reset enabled Portacool to eliminate many paper-based processes and manual data entry into disparate spreadsheets. Armed with technology and flexible reporting tools, Portacool was able to drive growth with accurate and real-time data they could rely on.

"I was spending too much time preparing data, preparing analyses, and helping our finance team pull together information," Mikesh says. "Consequently, I spent very little time reviewing and managing the information."

Algorithm, the 2022 Acumatica Manufacturing Partner of the Year, conducted extensive training for all Portacool team members, many with no prior ERP experience.

Having completed two prior ERP implementations, Ferren was prepared for potential glitches at go-live. "I arrived here bright and early ready to go," he says. "We had a hotline set up, and everything. Pretty soon we were wondering whether the phone was broken. We had no issues, and I thought, 'are we missing something? How is this day going so well?'"

Having a great implementation partner, extensive prep, and a modern, well-designed business management platform helped a lot, he says.

"We're pretty excited about Acumatica," says Ferren. "Our implementation took just seven months."

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BENEFITS

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Real-Time Visibility for Better Decision Making

Instantly, Portacool had reliable data for faster and informed business decisions – a crucial advantage during the pandemic and global supply chain problems that persist today.

Portacool has cleaner data, actionable reports, and higher user adoption due to Acumatica's intuitive design and navigation. They set up reports by channel, profitability by SKU, market, and customer account. This was all new and critical information unavailable in the previous system. Portacool implemented serial tracking for cradle-to-grave traceability from components to finished goods. The manufacturing suite provides detailed manufacturing cost analysis to identify areas for improvement and profitability by job, work center, or by item.

Portacool now has reports and alerts to know when payments are due without setting manual reminders. For example, Portacool had waited on a $600,000 payment previously only to learn three months later that the invoice did not go through the existing EDI solution. With Acumatica, the team now immediately receives an automated alert to rectify the situation to reissue the invoice immediately.

"The only way to survive and be successful in this market is to have visibility into the KPIs to drive manufacturing, maintain profitability, drive customer satisfaction and quality. We couldn't have done that without Acumatica," Ferren says.

Improved Inventory Management

Managing inventory was a challenge for the past couple of years. If the company had remained on its legacy system, "we would be in such bad shape right now," Ferren says.

Previously, Portacool kept track of finished goods with a rudimentary, paper-based system with manual data entry at the end of the shift. Inventory and production reporting consisted of walking around with paper tags and physically counting products. The carbon copy resulting from this process was used as the basis for a recount to verify the numbers. After three to four days, they would collect the paper results and manually enter them into Excel. Next, they reconciled the reports to resolve discrepancies.

"It literally took four days," Ferren says. "Now with Acumatica, it takes less than a day. We modified an app in Acumatica to take a physical count with bar code scanners, print out a label, and it automatically shows this count has been processed and if there are any variances. It's very fast and a huge efficiency gain."

Portacool has full inventory visibility, with data arriving as it is entered. "With Acumatica, we can manage inventory at a minute level," Ferren says. "That was helpful during the pandemic because we could see purchase orders, processes, inbound freight from China, freight costs, and purchase price variants, which was important when something a year ago might have cost $8 dollars now cost $12. That causes profit erosion, and we are doing a much better job at managing that with full visibility into operating supplies."

Connected Third-Party Applications

Acumatica's open API allowed Portacool to seamlessly connect its home-grown Quality program, which has provided ways to integrate data to improve products, manufacturing, and customer service.

In Acumatica, the team can create new cases that drive quality control actions, Ferren says. For example, if a customer calls in needing a new part, "We get their serial number, we can see case history, the bill of materials and revisions, and we can replace a part, or substitute with a different part," he says. "Then we can tell you what production line it ran on, who was the QC person when it was put on a truck, which dock it went out from, what truck it was on, and which distribution center it went to…"

"The opportunities are endless," says McElroy. "Acumatica has helped us see the bigger picture and has shown us more efficient ways to run some of our processes and handle the business, which has been extremely beneficial to the company."

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Eliminated Paper Systems

Quality inspection checks on its five manufacturing lines were once done on a piece of paper. “I walked by engineering and the stacks of paper for a day were this tall,” McElroy says raising her hand about two feet above her desk. “Bill went to the engineers, discussed their requirements, and created electronic checklists stored in the cloud. There’s no paper roaming around anymore, and that was very exciting.”

Acumatica saves PDFs straight into the system, which further eliminated the use of paper in other departments. The information and data are stored in one central depository, and available to anyone who needs it.

Record Heat Waves and International Growth

With Acumatica up and running, Portacool was able to respond to high product demand resulting from record-breaking heat waves throughout the U.S. Growth continues as the company has obtained certifications around the world picking up new customers seeking alternative cooling options.

With the increasingly central role of big data in all aspects of business and life, the demand for data centers continues to grow exponentially as does the demand for the Kuul brand of evaporative media from customers like Microsoft and Amazon. “This is a growing part of our business,” says Ferren. “This would have scared us before Acumatica, but now we’re confident that we can manage relationships with the largest businesses in the world.”

“Acumatica is the pulse of our company. The visibility we have to the entire business has been the largest benefit at this point, but we have a lot more opportunities ahead as we continue to uncover and explore more of Acumatica’s functionality,” McElroy says. “For 30 years we lived on paper and a prayer, and we’ve been so fortunate. Then the pandemic hit, and we had to make tough decisions.”

“While implementing an ERP was a huge change, it’s one of the best things we’ve done in a long time,” she adds. “It’s making us better and helping us grow.”

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