

CUSTOMER SPOTLIGHT

AT-A-GLANCE

Versatile manufacturer operating job shop, die-cutting, and complex production environments - along with a contract manufacturing operation - from a single facility.

Location: Saukville, WI

www.pdpeterka.com

KEY CHALLENGE

- Single ERP solution able to manage 4 distinct manufacturing environments/businesses
- Robust Material Requirements Planning (MRP) capabilities
- Tight inventory control

SOLUTION

- OmegaCubes' Power ERP, a flexible, fully integrated, adaptable solution for small and midsize businesses

KEY BENEFITS

- Tighter control of production processes
- Reduced costs across 4 businesses
- Shorter lead times
- Enhanced integration from shop floor to front office
- 40% improvement in financial reporting efficiency
- 20% improvement in A/R processing efficiency
- 50% improvement in scheduling efficiency
- 50% improvement in inventory tracking



PD Peterka & Associates operates 4 businesses and manages 2 distinct manufacturing processes with one ERP system: PowerERP

Typically, a manufacturer is either a job-shop or a high-volume production operation. Typically, a manufacturer is able to focus on meeting a single, unique set of business challenges and satisfy a single set of customer requirements. But PD Peterka & Associates is anything but typical.

The Saukville, Wisconsin-based company operates 4 unique businesses or "profit centers" - each with its own set of operational challenges and customer requirements - under a single roof. There's a classic job-shop, a complex railroad fastener manufacturing business, a simpler die-cutting business and a subcontracting business. "These are four very different operations, and we were managing them with an antiquated, homegrown Lotus-based system and four other database and accounting applications, none of which could be integrated," recalls Patrick Peterka, the company's President. "Each profit center had to be set up separately in its own system. We needed an ERP software program that would fit the needs of all four businesses."

Those needs vary greatly. For instance, in a job-shop environment the primary challenge is in scheduling materials flow through machines and resourcing raw materials for short runs and short lead times. "You might have 100 customers and 500 different products, but if you can't deliver in 4 weeks, you're no good to your customer. You have to be able to react quickly," says Peterka.

Conversely, the railroad fastener business is a high volume, complex production environment. PD Peterka manufactures eight different types of resilient rail fastener assemblies, each with a unique, multi-component BOM, and the company processes order quantities in the tens of thousands. Ensuring on-time delivery and quality at a competitive price requires robust Materials Requirements Planning (MRP), quoting, costing, production and inventory management functionality.

The die cutting business is a hybrid of the job-shop and production environments, stamping a wide array of specialized parts from a range of die media - rubber to cardboard - but at higher volumes. And the outsourcing business, with PD Peterka contracting out work to its subs, places a premium on tracking inventory movements, delivery times and lead times and on monitoring production.

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*Patrick Peterka
President*

PD Peterka & Associates, Inc.



PowerERP functionality satisfies full spectrum of manufacturing requirements

“The only ERP system we found that would fit the needs of all four businesses and do it economically was OmegaCube’s PowerERP,” says Peterka, who points out that only he and one other person manage the system, both on a part-time basis. “OmegaCube software developers have a profound understanding of the challenges all types of manufacturers face every day. It’s uncanny how they know what you need and how you need it. During the evaluation process we actually got tired of asking questions, because they had all the answers.”

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Peterka believes job-shop environments are the most difficult to manage, due to a complete lack of standardization in everything from part numbers and materials to lead-times. However, the scheduling capabilities of PowerERP provide immediate visibility into each machine’s utilization and available capacity, enabling the company to evaluate alternative production scenarios. “If I know how much capacity I have and I know my bookings I can make a decision on whether we can handle a particular order or if we need to buy another machine, subcontract the job or turn down the business. Before PowerERP, it was pretty much guesswork.”

As for his railroad fastener business, PowerERP’s robust MRP functionality provides Peterka with unprecedented control over inventory, scheduling and fairly complex BOM. “We have to coordinate truckloads of steel, castings and other components from foreign suppliers, and PowerERP helps us balance, plan and schedule our ordering and inventory movements.” PowerERP also tracks costs and bottlenecks in the production process, including machine downtime and inefficiencies. Peterka brings that data into PowerERP’s costing system to track resource costs, along with material and labor costs.

“PowerERP has become an integral part of running my business effectively, efficiently and profitably, and we could add six more businesses without having to change our software.”

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PowerERP instills process discipline across the organization

The company utilizes “vanilla” PowerERP, meaning the system is virtually without customization. And though PowerERP has been in place for less than a year Peterka is already seeing measurable improvement in his business. “We’ve lowered lead times and reduced our costs across all four profit centers. The system essentially traces each job from the initial quotation entered in its CRM module through the manufacturing cycle, into the warehouse, out the door and into the billing process. PowerERP does everything we need to operate our business, from shop-floor to front-office.”

Peterka also credits PowerERP with instilling a process-discipline throughout his organization, a discipline that has enhanced product quality and increased sales. “For a part to be shipped it has to be signed off by the quality department, and they can’t let a product be shipped unless it’s queued in the ERP system,” he says. “Those checks-and-balances - just within quality department - ensure better product and delivery for our customer. When you multiply that process discipline across the organization the results are fantastic. And when you give customers a quality product, delivered when they want it, at a competitive cost you sell more.”

PowerERP is structured so that each component profit center prints out its own distinct set of reports, including financials. As company president, Peterka can then view the individual performance of each business or compile them into a single report. “I sit down every morning and look at a report which tells me how much I owe, how much I have coming in and helps me plan for incoming orders. It’s become an integral part of running my business effectively, efficiently and profitably, and we could add six more businesses without having to change our software.”

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