



Cloud-based Enterprise Resource Planning for Manufacturers

Now, more than ever, manufacturers and distributors are facing challenges that could make or break a business. Between supply chain issues, workforce retention, and a client base with high expectations for quality — manufacturers are finding it difficult to maintain a competitive edge, especially when operating on legacy software platforms that create even more bottlenecks.

You will learn how companies are leveraging cloud-based enterprise resource planning systems like Acumatica to kick off their digital transformation, ease supply chain burden, retain top talent, and grow their businesses with the right technology.

Find additional resources on our event page: <https://www.claconnect.com/en/events/2022/cloud-based-enterprise-resource-planning-for-manufacturers>

Here is a transcription of this session:

Copy/paste transcript here. Adam Gardiner:

Good afternoon, everybody. My name's Adam Gardiner. I'm with CLA and I am happy to be speaking to you today about our webinar, which is Cloud-based Enterprise Resource Planning for Manufacturers, a very specific topic. We'll get into a lot of very useful tidbits about what we're seeing in the marketplace, how that might help your organization take a step further into your growth goals, and how we might be able to help you support that.

With that being said, I just wanted to bring up that everything in this presentation is for general information only. If you ask specific questions or need advice on a particular issue that's related to your organization, please reach out to your CLA resource or myself after this presentation. We can help answer any questions that you might have around whatever you might be facing today.

With that being said, I just wanted to touch on some of the learning objectives that we're going to cover today, and that was basically around ERPs, especially a cloud-based ERP. So we're going to be visiting a cloud-based versus an on-prem ERP system, how integrated functionality can really help you do a lot more with less, and that'll be a theme that runs throughout this whole presentation. Enabling your remote workforce with the proper ERP. That's key, as we'll see, in a lot of organizations these days, especially post-COVID. Bringing AI and ML to your business on day one. Usually that's something that people will see and think that's reserved for much larger organizations or will take time to integrate into their own company. Not so not guaranteed in that way. So we'll visit how that might help you start using those tools to be integrated into your company as you move forward. And then we'll also talk about the power of accurate data in real-time organization. So having the right data at the right time to help you, enable you to make the right decisions.

Oh, before I get started, I just wanted to introduce a couple people that will be joining me today. First of all, I'm Adam Gardiner. I'm a senior on our digital growth team at CLA. I focus on anything that we can help our manufacturing distribution clients do on a digital basis to help move their organizations forward. Solving complex problems with out-of-the-box thinking, including an ERP system such as Acumatica.

I also have Brendan Kurvers joining me. He's a principal in our M&D practice and he'll be presenting a little bit later about some of our success stories and what we've seen and how these ERP systems are helping the clients that we're working with. I also have Paul Dubuque. He's a manufacturing product specialist at Acumatica. He's going to give you a high-level tour of the actual software itself so you can see how it works, how it might benefit your organization, and what you can do moving forward in a manufacturing-specific method. And then I have Wally Tonra joining us as well. He's our partner account manager at Acumatica and he'll be helping to answer any questions and provides a little bit of context around some of the data that we're providing today.

Now with that being said, I have a quick poll for you. Just want to get a baseline of how everybody feels that's joining. This type of webinar that we have right now, it's clearly specifics around cloud-based ERP. So we want to know right now do you feel that your organization is doing a good job making data-driven decisions? Some of you could say yes, no, or maybe a little bit of both. Maybe you might want to be doing better. So if you don't mind taking a minute and answering that question.

All right. Julie, can you share the results please? So it looks like an overwhelming 82% saying, "We could do better." You're probably making decisions and taking the information that is presented to you. My question for you is really how quickly are you able to make decisions? If you have a problem or a question you're trying to answer today, you might have the data. How long is it taking you to collect that and how long is that actually taking you to process that, meet with the internal resources within your organization, and move that forward?

With an ERP system that's built for digital transformation and collecting data and analyzing that and integrating systems, we want to decrease the amount of time it takes for you to get that data, and also give you the confidence that enables you to make sure that you know that you're making the right decision. We don't want to go from gut instinct because we know these days you need to be very sharp with the decisions that you're making and how that will affect your organization. You can't just take a guess. You can't just go on what you used to do, but it's really knowing exactly what the right decision is, and then also tracking those results and doing that quickly and having metrics and KPIs that help you essentially try to know that you made the right decision as quickly as possible so you can pivot if necessary.

So these are some of the current trends that we're seeing. This is nothing new. I won't spend a ton of time on it, but we all know that supply chain delays, rapidly changing customer demands, and having customers that you're relying on to make repeat purchases, but knowing that you have to be agile to adhere to any changes in what you're manufacturing or supply in that demand, being agile in that way is definitely a trend that we're seeing. And then also labor shortages. These are nothing new. We've been seeing these for the past year or two really take center stage. And anybody that is one of our clients that is really talking to us and trying to solve a problem, it's usually based around at least one of these and it's probably a mixture of both.



But something that I like and something that I've seen is that our manufacturers, they continue to demonstrate that resiliency to try to adapt and know that they make a quality product. They know what they're doing, they just need to do it in a better way. And we're just trying to help them get that extra step further to know that they're doing the right thing at the right time. So we'll touch on how cloud-based ERP can help you solve some of those issues.

I have another poll for you. Which of the following, if you had to take a guess or some of these might be forefront, top of mind, is the biggest challenge to your organization today? So are you more focused on sales and inventory forecasting and having that information accurate? Is it automating processes that your staff are doing on a daily basis? Are you eliminating some redundancies within your organization? Or is it simply just collecting and analyzing the data that you already have within your organization?

We're seeing some changes in the leaderboard here, but I think we have one that's taking over and it's actually a good mix. Over 50% are trying to automate processes. That's something we see all the time. Why spend time with the staff that you do have and making them do processes that are heavily manual or they're just repeating and spending their time with? They could be more strategic and actually do some things that are moving your organization forward. So that totally makes sense with things that we're seeing.

Collecting and analyzing data, second in there. We see that a lot. I think the last report that came out for the industry said the average manufacturer has about 108 applications that they're managing within their organization, and that's touching inventory, warehousing, sales, marketing, engineering, leadership. So 108 applications is what I've been seeing. And some organizations might be less, some might be a little bit more, but it's like how do we collect that data? How do we analyze that and make sure that we have accurate information? We don't want silos of data between say marketing and sales and even production planning, and everybody's working off their own data. We want to make sure that we have one system of truth and that's something that we continually see.

The two others are eliminating the redundancies and sales and inventory forecasting. For the low amount, I mean, that's great. I've seen a lot more with the sales and the inventory forecasting and we know that we have long lead times from some of our vendors, but we're also trying to target our sales. We don't want to hold inventory because that's costing us money and we want to be able to purchase as much in time as possible, but we have to try to manage that. So I'm surprised that's a little bit lower, but that totally makes sense with the others that are competing with it. So thank you for answering that.

So when we talk about digital transformation, and that's what I've been doing for a long time, especially with manufacturers and distributors within CLA, there are a lot of smaller projects probably within an organization where you'll probably spot today, this is where we're having an issue. This is what we need to improve on. But I see the cloud-based ERP continually being one of those systems that I call a big rock. If you're moving this one thing, this is going to help speed up that trajectory of digital transformation because you need an underlying platform that's able to be resilient. It can grow with you. You can change as you grow in case of some of your processes or different things within your organization change. You want something that can respond to that and is a little bit more agile.

So I look at ERP, especially with manufacturers that mostly are running on legacy systems that sometimes look like they're from Windows 95, and that's fine and they've supported what you need, but continually, time and time again, we're seeing that if we change our ERP, that's going to affect a lot of portions of our business quickly, and everybody's rowing in the same direction. So you have a lot of



information, but you're all operating from the same information and that it's accurate and you can trust it and it helps make that decision-making process a lot easier.

So you're going to be able to, especially with a cloud-based ERP, so you don't have to be on site or on prem, you can support remote work, which is what a lot of clients are seeing really in any industry. Everybody to be able to work within the same system, but they can work from anywhere. They can be on a plane, they can be 50 miles from our home location, whatever it may be. Supporting remote work is key to make everybody more efficient because if you're more efficient, you're really attacking those top three things that we focused on before of labor, supply chain, and just being more agile as an organization.

There's a simplified deployment in something that's cloud-based. You don't need a lot of support onsite with your internal IT resources to be able to support and manage and rewrite code and try to figure out and really make something more adaptable to your organization and customize. You want something that's in the cloud that's low code that you can adjust on the fly without taking up a lot of internal IT resources. If you can reduce that, you're reducing your cost right off the bat, and then already you're seeing a quicker ROI on your investment in a newer ERP system. You also want the ability to quickly add users and functions to accommodate your growth. So why be penalized for growth if that's what your main goal is, but it changes some of your systems and processes? You want something that you can change as you go along, and having a partner that can help you and lead you through that, but also having a system that's adaptable in that way.

That's what a cloud-based ERP will provide. It'll also give you that flexibility to manage multiple entities within one system. Gone are the days where you need one system depending on different locations geographically or even on what you're making for different sites, or if you're servicing things. Having one system that everything integrates within and you can click and move between that is extremely powerful and just helps you manage the day-to-day processes that you're working with to make sure that everything that you need to focus on is right at the forefront of the ERP system.

I've got another quick poll for you. What percentage of your time is your finance staff dedicating to manual processes? So think about closing the books at the end of the month, any reconciliations using Excel where they should be working within a specific application that you've already invested in. So what percentage of time of your finance staff is dedicated to manual processes?

All right, so over 50%. Oh, we just got a little bit of change there. So we're right between 26-50% or over 50%. So you're having your controller, director of finance, senior accountants probably running their own spreadsheets. They're probably pulling in reports from different systems and getting information, maybe entering it manually, being able to try to coordinate information and spend a lot of their time just figuring out things that probably could be automated. For this survey result to be so heavily weighted towards that 25-50% or higher, I mean, that's something that you're seeing with your peers that everybody's doing this. It's probably things that have been done out of necessity, but it's like why? Is there another process that's available or another system that can actually help us? With a new ERP system, you're still going to have to do that work where you're going to want to make sure that the flow of that information is seamless, it's accurate, it's clean, you have the right information, it's coming from the right sources.

You might have CAD systems. You might have different databases that engineering is working with. Sales is working from a separate CRM. All those different systems, if they just operate in their own silos, then



you're going to continue to have to waste time of your staff to be able to keep working and trying to make sense of the information that's presented. If you don't have that or if you want to make sure that their time is spent elsewhere, once you integrate those systems and you use the appropriate ERP, then you know that you're working off the right data and you're making the right decisions.

It goes back to the labor shortage. Why make the people that you actually do have work harder when you could have the people that are already there, when it's already tough to find more people, making them work more efficiently? And the work that they're doing is a lot better and it has the right information impact that you're looking for. So we don't want to burn out the staff that we do have and what we're working with. We just want to make sure that they're doing the right task and providing the value to your organization that you hired them for in the first place.

So this is a new era for ERPs and we'll talk about Acumatica and how it is really new and how it's focused on this digital transformation piece and doing business through the internet and on computers and relying on that. But we really want focus on the things that are going to save you money like day one. And this is the key to this slide and this is why I put it together. Anything that's redundant, so you don't want to have people from your shop floor suggesting what you need to purchase, and then it goes to purchasing, and then they need to validate it, then you may need to look at costing. You want everybody working on that same flow so there's less checks and balances, but knowing that everybody's working off the same information so you don't have as many steps to get you to your end result.

You want to automate those mundane tasks. Just simply entering simple information like expense reports, if you have somebody that's doing that manually and using a spreadsheet, trying to get approval on that, let's automate that. Let's get it to the right people to approve and be done quickly and then just move on to the next task. It's just making the best of the time that you're spending on it on a daily basis.

Provide employees access to critical information. This goes back to what I was saying about silos of information. You don't want people to be going to different department heads or people within departments to be able to ask questions, wait for them to answer, make sure that the information is correct, and then make a decision. If everybody has the same information and they have access to that, then that should streamline your whole process throughout the organization and then you're running more quickly and more efficiently.

Leveraging AI and ML with a proper system set up. So if you have the right ERP, you have it connected correctly, then you're able to leverage some of these things like AI and bring that into your process a lot quicker because a system in the platform is already working to set that up on day one. So you don't have to go out of the box, take what you have from maybe your older accounting system or whatever you're using for ERP now, and try to take that data out, hopefully clean it up, make it make sense, and then putting it into another system to generate that machine learning or any of those insights that you're looking for. If you have it already set up in that platform, that's going to make it easier for you. As you get started and see some things that you want to make more efficient, you're going to be able to branch out and start making a lot more solutions for that a lot quicker with less code and less reliance on that IT support.

Creating personalized customer interactions. Honestly, one of my favorite things. If you have ever ordered anything from a company and you're asking where it is and where your PO is and what the lead time is on it, sometimes that goes through different people and you're calling, you're being transferred from one to the other. If you're able to respond to your customers quickly with the right information,



they're going to be a lot happier. They might not be happy that they're waiting for something that has a long lead time, but at least they got that answer quickly and they feel more comfortable with that, and it feels like you're being more transparent. You're always trying to do the best thing and right by them, but it alleviates that frustration and it helps you keep those customers, be a better vendor for them, and know that they can respond doing the same thing that you're probably doing of letting know that their clients, what they can do to help and giving that information quickly.

So the speed is critical, especially with any clients, any customers that you have. Having the speed to that information is going to alleviate a lot of headaches and enable you to make a lot of better decisions and improve that relationship.

And then lastly, integration with other key applications. You don't want to have an accounting system that can't integrate with your engineering or your vendor or your purchasing and then you have to go out and take the data and just try to make sense of it. Having a platform that's made to be integrated with from day one is going to make that a lot easier. They all rely on these APIs. That enables the flow of data from different systems. Having a system that's built for that and you can set up and quickly integrate with instead of building custom applications or custom integrations will save you money. It'll save you time. It'll get you up and running and it decrease the time to that ROI for any investment that you might make with a new ERP.

So that's a lot that I've said, and things that I've been talking about with digital transformation and ERPs and how that helps organizations. What we've seen is, and a team that we have seen that we align with is Acumatica. And Acumatica is a cloud-based ERP and it's built for resilient businesses. That quote I had before was manufacturers continue to be one of the most resilient industries and organizations that we're working with to try to solve the problems and make sure that they're getting the product that they produce to their clients efficiently. You want an ERP that's just as resilient. And Acumatica, it was born in 2008. It's made for doing business over computers and applications and working and integrating with those systems. A lot of what we've been seeing is that some legacy applications, they continue to be tweaked and modified to try to be more customized for their clients, but Acumatica was really built for it.

So you want to connected business. They're delivering that, something that's future-proof and able to scale with you and enables you to pivot on your business model or how you're delivering. Maybe it's just in time or it's custom made types of solutions. You want something that can do a little bit of both. Any mix of that. Something that's future-proof and flexible is always going to help you and make sure that you have the right supporting platform and software that's going to be able to make sure that you're hitting the key KPIs that you're trying to achieve on a daily basis.

It also gives you that rapid integration. So there are a number of integrations right out of the box that it's enabled to like HubSpot, some CAD, different processes there that you can integrate with right out of the box, enabling you to make sure that what you get doesn't take extra long to implement and make sure that you're delivering and getting the full functionality of it on a daily basis.

Remote collaboration. So it enables you to work off of an Android, an iPhone, anything with a computer connection. You can have people in the field that are delivering on a project delivery and they need access to that. You don't need VPNs. They don't need the dial-in to your on-prem servers and trying to get into that with limited access. It's made for the mobile world and made to make sure that you can



actually work and give the information to the people that need it in a role-based fashion to make sure that you're making sure that everybody has the right information at the right time.

And then that business resilience is just changing up what you're doing or knowing that if you need to change your business process, it doesn't take a heavy lift to make sure that that's customized for what you're doing. So throughout the process you might enable or know that you need to go to a new ERP, you could go to something like Acumatica. And then if something changes in 6, 12, 18 months, you can always adjust to that without totally reconfiguring your system and having downtime and worrying about things like that.

And then lastly, I just wanted to touch on if you really visualize an ERP like Acumatica, you're going from just maybe just a strictly accounting financial type of software, you're integrating your products, your warehousing, distribution, production management, data collection, having all of that connected and flowing in the right way with a system that's made for that is critical. So Acumatica does have a manufacturing-specific edition. It's made for clients such as yourself that are signed up today. And it's anything that you have for different processes, it's able to adhere to that and make sure that that works for your group.

So I've said a lot. We've gone through a lot of efficiency, resiliency, and enabled to grow. I just want to pass this off to Paul Dubuque. He's going to give you a high-level overview of Acumatica and take you for a little bit of a tour. So Paul?

Paul Dubuque:

Very good. Thank you very much and welcome everyone. So as Adam was describing, we do have a manufacturing edition. Acumatica is a wide product and manufacturing's one of those. And some of the key pieces of that, and I'm not going to go through every point on here, there is a lot of great features here. As a fan of the product and an employee, I do like a lot of the features here. So the bill of materials, we're going to jump in and take a look at that. What are you making? How do you describe it? How do you list that? Again, that digital transformation. I'm from the old school manufacturing where things were done on paper. No longer. Let's put it in a system and keep it very active. Things like scheduling and planning can also be taken advantage of because it is all in one system. All one system as opposed to a bunch of disjointed or separate spreadsheets makes for much more accurate information.

So when we look at some of the points that Adam was making, he had said earlier that he wanted to automate or that you had said in your poll you wanted to automate, you want to collect and analyze. Well, these are the kinds of tools that help make those really work out for you. Automating your scheduling, automating your planning, automating what happens on the shop floor. So there's a lot of things that can take place with that. With that, I'm going to jump one more slide ahead. There's a little bit of a flow that we're going to talk about today. We won't have time obviously to cover all of this, but I want to start with bills of materials and take us into production and take a look at that, as well as a little bit of the mobile application just to give you a little bit of a teaser. So if you want to see more, happy to show that at some point.

So with that, let me share my screen if I can hit the right buttons today. And I am going to share this screen and hit share. It should be popping up for you. I think you see the screen now. Somebody let me know if you're not seeing the screen on our team. That would be great. So what we see here is the dashboard, one of the many dashboards. So Acumatica has a number of dashboards that come with the product. Like I mentioned, I'm from the old school manufacturing. We had production control meetings.



This is a great graph. It tells you everything that's going on inside the factory all in one place. It's a great, great tool for an impromptu meeting or a regularly-scheduled meeting. What's happening on the shop floor? What resources are getting constrained? Do we have any purchase orders, purchasing problems? Are there any projects that are tied to these production orders that also have some issues that we need to address? All from one screen. And by the way, any of these graphs that we're looking at and dashboards, they're all configurable by you as users so it's very easy to use.

I'm going to jump into the as design structure, which is the bill of materials. And I'm going to click on the bill of materials and we're going to open one of those up. So bill of materials, you'll see it listed as a BOM in some cases, but it's a bill of materials. And it's kind of a misnomer because it's more than materials, it's what are you doing and how are you putting something together? These are the operations that take place. And with Acumatica we're going to let you have a whole bunch of different revisions for the same bill. They can be tied to an inventory item. There's a list of operations in some various times that can be used for costing as well as scheduling, and associated with each of these operations are materials. So you'll see we tie the materials directly to those operations so that we know when we need those materials and at what step are we using those materials.

Along with that, there are also things like steps. So steps are more detailed instructions. While we certainly can include notes and all sorts of files and descriptions of what we want to show, these give you very specific instructions what happens on the shop floor. So I'm putting one of these together, we're going to cut it a certain way, we're going to divert, and these are the specs that we need to meet to meet production.

A number of different ways to take a look at this so if you don't want to look at in the broken up view, you can take it as an indented view. So now we see even more details, some of the components that may also be used to put this together. So a lot of details that show up in here, and this all translates from what we're doing in the design mode right into the production mode. So again, one system going from one place to another. I'm going to open up what we call a production order, but a production order, work order, whatever job you want to call it. It's the same thing. This is that same item that we were looking at, but now we have a little bit more information that's included here. How many are we making? When are we starting this? What's the schedule on this? Is this tied to a sales order and what line on the sales order? Where did it come from? So that one source of truth.

So as you're doing that analytics, as Adam was describing, here's where we decided how we were going to put this together. Here's what caused it to take place. And by the way, these are all the steps that happened. I clicked on the events and this tells you every step of the way while you're in production. When was this created? Was the status changed? Did we report any materials? Did we have any labor transactions that took place? And all these are drilled into. You can go in and do all sorts of forensics and look at, well, where did the cost come from? And speaking of cost, you can look over here at the totals and you'll see the planned cost, the actual, and variance. All of this is at your fingertips. And this is live, so if someone is reporting any material or any labor transaction, this is updated right along as we speak.

There's also a couple of other features here that are very important, something like critical materials. So we need to know. We talked about supply chain, that's a tough topic these days, but what are the materials that we're short on for this specific job? Well right here, critical materials tells you right now these are the two materials that you need and you don't have enough on hand. So you can go ahead and purchase this, you can manufacture it, transfer it, depends on that component. And you can see

that this can be tied to purchase orders or production orders in here. All of this is to give you, the user, that quick access to the information you need to get this production going.

Along with that, you can go ahead and take a look at the material requirements planning. So MRP is the fancy word for manufacturing planning, but it's the material requirements planning. And what we've done here is when we look at the display, you can go into more details here and you can see every bit of supply and demand that's taken place inside the system. Acumatica's MRP function will come back with suggestions of what you need to manufacture, what you need to purchase, what you need to transfer, what quantities, what dates, what are they tied to. And you can see excruciating details in here. I say that because there's a lot of information, but you have very easy access to look at well what was Acumatica thinking? Why did I need that filter? What's going on with it? So one click of a button, you get all the details of here's what Acumatica was thinking it's needed for these production orders. And by the way, we've got some forecasts coming up that we're also planning. So we're looking ahead, we're doing that forward thinking inside of one system in here.

Another area I didn't cover when I was in production orders is the scheduling board. So how do we know what we need to make and when we need to make it? So the scheduling board gives you that graphical display of what's happening for each of the production orders in here. You can see in detail for each of them over various different dates. And you have controls over different colors and different size periods that you want to look, if it's weekly or daily. You also see in here that you have these little what are diamonds that you'll see that are gold or they're going to be showing up in red. So the red ones we have some problems with. This is telling me that we've got a couple of orders that are going through that are now having some delays. We need to address them. So with one click you can get right in there and address it.

You also have access to this, and these screens are very movable and flexible. You also have access in here to go ahead and look at the capacity of any of the work centers that you've scheduled, or machines. If you're getting down to the machine level, you can see what's scheduled, when it's scheduled, and how it's scheduled. So you can see what's going on here. So as we go out into the future, you can see what that capacity is. Very helpful for anyone that's doing that forward planning. What's happening on the shop floor? What materials do I need? How do I get that information?

And of course we always come back to that dashboard. We use these dashboards throughout. I'm talking about it for manufacturing, but if you're a financials or distribution, same sort of concept. A lot of great dashboards to drill into the details and they're just one click away. What orders are causing the delays that we have in here? You see all the details. You can drill into those right from here. Very quick, very easy to get to that information.

And I know we're running late on time, but I do want to show you one other thing that I think is very important and this goes right to that digital transformation. So I'm going to share my phone. Let me click the right buttons on here. You should see the screen popping up. So you'll see this is my phone. It's a live phone. Looks like I've got a bunch of Facebook and inbox stuff and LinkedIn, but I'm going to go to the Acumatica application. So we do have a very specific application. There's one for the Apple devices as well as Android. It is a different device or different, I should say, application than what runs in the browser. This uses the tools that are part of that phone. So you can see down there it's got the little face that's going to look at me and say, yep, you can log in. So I just use some of the tools on the phone to help log me in.



So this gives you access to all sorts of information. You can set up what KPIs that are important for you. Anything that was recently used. You can see I had a couple of sales orders that were open. You can drill into those sales orders from here. You can go through this entire list. This covers more than just manufacturing. So if we're looking at expenses, you can create expenses, approve expenses in here, look at CRM. If you've got sales folks that are out in the shop or out in the streets and they want to know I'm in this town, are there any other contacts that I have that are nearby? You can drill into the details there. Projects, project management, sales, payroll, you name it. We've got an application that ties directly to that application right into what we're seeing online. So if I take an order in the mobile device, I'm going to see that order immediately available to anyone in the browser. So there's no wait, no delay of syncing this information up.

So I know we're kind of tight on time here. Happy to go into more detail so you can contact Adam and his team and he can help coordinate that, but at this moment I am going to pass the baton back to Adam and see if there are any questions for us today.

Adam Gardiner:

Sure. Before we start, I just want to bring over Brendan Kurvers to go through a couple success stories that we have real quickly. Brendan, if you don't mind?

Brendan Kurvers:

Awesome. Awesome. Thanks Adam. And good afternoon everyone. Brendan Kurvers from our lovely, rainy Minneapolis office here today. I have the opportunity to serve a variety of manufacturers through the lens of both an audit principle and a fractional CFO within CLA here. If there's one thing I've learned about manufacturers and the manufacturing space in total, it's that there's a tremendous amount of ERP systems in the market and I think we can all agree that some are likely better than others. But today really wanted to take some time to talk about some real-life examples from clients we've served here within CLA and really help you take those examples and think about how you could potentially apply them to your enterprise. We're going to really focus on some cloud-based applications like Acumatica that can really help you drive growth and communication within your enterprise. So with that, I've got three examples here we're going to move through so we can open up for some questions as well because we know that's important. We want to make sure we're meeting you in the middle.

So let's start here with a power producer. So there's a rapidly-growing power producer that we've had the opportunity to serve for about a year now. When we first started with them, they were using a QuickBooks desktop application. And at each of the various power plants that they were operating out of, QuickBooks desktop was a little bit dysfunctional from how they were really trying to do business. And that was a workforce that was adopted in the pandemic so a lot of their employees were working remotely. Therefore they found a significant time suck of really trying to make sure data was synchronized properly. They were generating consolidating operating reports and working through various virtual instances that weren't necessarily conducive to a productive workforce.

So we helped them navigate through shifting to a cloud-based ERP system, which is already starting to see a tremendous amount of benefit from stronger collaborations through their finance, accounting, operations, and developmental teams. Further, they're able to really scale and add users frequently, which is really important in a system like this. And that also allows for that easy access to the system like you saw in the Acumatica demonstration there through even being able to use your mobile device to really access the system at any time, maybe when you're on a flight or if you're kind of moving from one



location to next. Further, it really added the ability to continue to scale with an efficient solutions being plugged in. And I think that's a really a strong benefit, is being able to add in certain modules, et cetera, that are going to allow your workforce to be more productive and really more collaborative across the board.

So next we're going to move into a food manufacturer. A rapidly-growing food producer, likely some of you have seen the products in Target or Costco around the country here. They moved to a cloud-based a back in 2020. I have the opportunity to serve in as their fractional CFO so I've been able to use this cloud-based ERP for several years now. The company uses co-packers, so manufacturing is happening offsite in different areas around the country. And as all you can imagine, when you have multiple manufacturing sites, real-time inventory management, extremely challenging. So we really have had the opportunity to get our arms around inventory through the cloud-based ERP system and working collaboratively with the co-packers, which has really been able to help us drive profitability, working capital management, and most importantly converting that into strong cashflow planning over the last couple of years here as we continue to grow and strive for those next steps as a company.

Over the past several months, there's been a really strong effort to use this as the main source of truth for all functional areas. So not just using this ERP to have strong financial reporting, but also to make strong operational decisions, marketing decisions. And ultimately when we shift it back to that operational standpoint, being able to make smart buys on an inventory standpoint by having that ability to know exactly where our inventory is and being able to track that even when it's segregated into multiple locations. So we're seeing tremendous opportunities of also just on a month-end close of really dialing that speed up and really, as Adam kicked us off at the beginning here, fewer manual processes every month. And really our goal is to get to kind of that 5-10 day close, which for any of the accountants in the room is always a desirable close period.

Finally, we'll talk about after an aftermarket auto part manufacturer. So this is a little bit of a quasi-manufacturing and distribution company, but the very important piece here, we've had the opportunity to work with this company for about the last decade. And since we first started working with them about 10 years ago now, they have always had a cloud-based ERP in their portfolio and it has allowed them to grow from 7 million to 50 million over that last 10 years, which is extremely exciting. And many of you, I'm sure, are in a similar position to that. But profitability, again, was a key piece for them. And when we think about profitability and analyzing those decisions that are going to lead to that profitable growth, it's really driven by having the right SKUs at the right time, and then being able to sell the right SKUs at the right time. And ultimately having the underlying data that's going to allow us to make those decisions on what to sell where and what's going to be the most profitable to the company.

But I think the real piece that's important here is the use of this cloud-based ERP has allowed them to work with various other distributors that sell their product and really have a direct connection through an EDI platform. And that is allowing these online kind of aftermarket auto parts dealers be able to understand the exact inventory quantities that are on hand at any given time. And really whenever that product is pulled, it's simply scanned. The system updates automatically and in real-time, all the retailers that are being pulled through this EDI system, they know exactly the level of inventory that is on hand at the company. And that has allowed us to make really strong safety stock decisions as well as being able to fuel sales while keeping our working capital spread in check.

So hopefully some of these examples offered a little bit of insight on some manufacturing companies that we serve here at CLA on how they really are able to fuel growth through these cloud-based systems



with an ERP flair. And with that, we'd love to open it up to questions. I know we just have a couple of minutes, but if we can't get them answered today, we would love the opportunity to chat with you in the future. Thank you.

Adam Gardiner:

All right. Thank you, Brandon. I appreciate that. We do have a couple of questions and I'll probably loop in Wally to help answer those. And Paul, feel free to chime in if you have any. I want to be cognizant of some of our time here because we only have about 45 minutes, but I just want to check. So we have the question. With the system, can you move jobs around on the work centers on the computer to see the results from doing so before doing so on the shop floor?

Wally Tonra:

I'm going to defer to Paul on that one. Paul, moving jobs around before releasing them?

Paul Dubuque:

Yeah, that's a great question. So we look at that as kind of the what if. So we don't do it on the graphical board, but you certainly can, when you're seeing them in the list, you can change the dates and change the priorities of any of those. So very, very easy to do that. People do that for grouping of colors or paints or things like that where they want to do things in a certain sequence or series.

Adam Gardiner:

Perfect. Another question. If you are a manufacturer with one location and no staff outside of the one location, what is the benefit of cloud versus an on-prem system?

Paul Dubuque:

Go ahead. You want to take that one Mr. Wally?

Wally Tonra:

Sure. I would just say it's always easier to have a solution that somebody else is managing the backend so that you don't have to deal with the potential of your server going down. And just because you don't envision anybody needing things from the outside, think about a scenario where maybe something comes up where a purchase needs to happen that's an emergency, and the purchasing manager or the vice president, the general manager who approves that isn't in the office. Well he can do that. He can call somebody up and somebody can do it for him, or that person can get a text message that says, "Hey, I've got a critical situation here. Can you approve this PO?" He can be at his kid's soccer game, he can see that message, he can approve it, it's done. Somebody doesn't have to get on the computer, call, pull him away from the soccer game while he's doing that. Very easy to do that kind of thing. So you don't have to necessarily think about having your manufacturing operations outside the business to leverage lots of benefits to the cloud.

Paul Dubuque:



Yeah. One other thing I'd add there, Wally, is we've had customers, I've worked with older ERPs, and one of the challenges is some of the software is dedicated to certain hardware, certain versions of releases of operating systems, and they have to maintain a stockpile of having some of those computers available. Or if it's in a browser, it doesn't matter what computer you're on, it could be Apple, Mac, it could be a PC, doesn't matter. Makes it very easy to keep life going.

Adam Gardiner:

Right. One of the follow ups to that was what are the security issues of being cloud-based?

Wally Tonra:

It's a great question, and there's a lot of security capability built into the application. Just because you have the ability to extend the use outside your organization doesn't mean you're granting people privileges. And one of the things that sometimes people who are QuickBooks users can't necessarily envision because with QuickBooks, when you grant somebody access, you grant them a lot of access to the system. Our system is very granular with regard to what you can have access to. So you could give somebody outside of your organization access to just come in and see open POs to their organization, say if you wanted to, and that's all they could see. They get a log in, but they don't see your accounting, they don't see your production, they don't see anything. They see just what you give them. So it's a very fine-grained set of privileges that you can grant or revoke by role or down to the individual.

Adam Gardiner:

All right. Perfect. And we'll just hit one more. We Appreciate everybody's time here. Does Acumatica track quality metrics?

Wally Tonra:

So a couple different answers there. When people talk about quality, there's a pretty broad spectrum of how detailed somebody wants to get there. So we can in the application, do some very what I would call maybe basic things with quality. But if you want to get into very detailed quality statistics and look for trending, look for things like mean time between failure, that kind of detail, it's typically you're using a third-party application. And there are several that have an integration to Acumatica through our APIs, including one that was built on our platform. "On our platform" means it was built using our tools, and so somebody using the quality module that is an add-on from one of our partners doesn't even realize that they're not using an Acumatica-authored application. It's in Acumatica, it looks like Acumatica, and allows you to do very detailed quality testing to decide when and how much needs to get tested, do certificates of compliance, do nonconform documentation, all of that. So lots of options there to work with the application.

Adam Gardiner:

All right. I think we hit most of them. If there's anything that we didn't hit, we will follow up offline. I want to say thank you to Brendan, Wally, Paul for walking us through and answering some questions today. I think it's pretty powerful information. With that being said, if you'd like to learn a little bit more and maybe see a customized demo to kind of reflect a little bit of your process, please feel free to reach out to myself and we'd be happy to set that up. Also, this recording will be going out to you just to make sure that you can revisit and visit any parts of this that you may have missed or may have gone through



quickly. I just also want to thank Julie and Bianca from our marketing team for helping set up the event and making sure that it run efficiently. So thank you all for coming today.

Wally Tonra:

Thanks everyone.

Brendan Kurvers:

Thanks all.

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