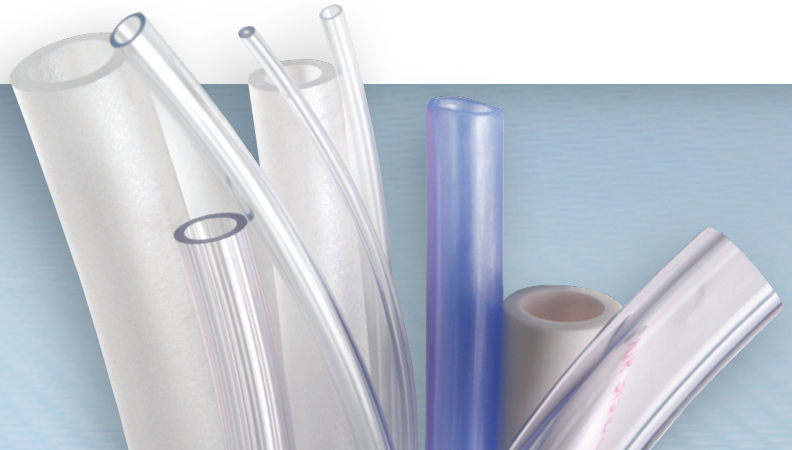




CYFRAME'S RECORD-SETTING ERP IMPLEMENTATION AVERTS EMERGENCY SITUATION



For more than 20 years, Versaprofiles has specialized in value-added thermoplastic extrusion manufacturing, with a focus on several key markets: geothermal, water pipe, maple sap/syrup, mass transit, office furniture, construction, telecommunications, utilities and landscaping.

Vital Statistics

- ▶ 10 managers, 35 shop-floor operators, 11 extrusion lines in a 36,000 sq. ft. facility, custom and stock runs of 300 to 1.5million feet with an average run of 30,000 ft.

Key Challenges

- ▶ Versaprofiles, formerly IPL Extrusion, a division of IPL Inc., Canada's largest thermoplastic manufacturer, had been coping with a generic, tier-one ERP system, that although ranked amongst the world's top three, had required significant modifications to make it work for a plastics processor. One fulltime programmer devoted 70% of his time to managing software configurations, updates, add-ons and maintenance and even then, it typically took him three to 10 days to deliver on Versa employees' requests. As a result of these delays, Versa employees couldn't respond to requests from new and existing customers or react to production and operational circumstances in a timely manner.

As part of IPL, Versa had been stuck with a heavily customized generic system that been modified for plastic processing. However, when Versa became a standalone company in July 2011, the management team soon focused on finding an alternative to the exorbitant licensing fees and incredibly heavy, generic ERP system that required constant customization to accommodate a plastic extruder.

The plastic-specific, highly flexible, out-of-the-box CyFrame ERP system costs 75% less than the typical tier-one, generic ERP system. The cost differential is even greater when you consider the third-party customization and programming required on a generic ERP, not to mention the price of the additional risk and increased downtime.

Because the highly-rated, generic ERP system couldn't deliver crucial but basic key performance production and operational indicators quickly, easily and cost effectively, Versa employees regularly reverted to using standalone spreadsheets and other manual systems.

Why Cyframe

- ▶ Versa wanted an ERP system that had been designed specifically for the plastics industry as it would require far less customization than a generic product. The company also wanted to buy their new ERP system directly from the people who owned, built and programmed it rather than resellers or integrators. As importantly, CyFrame's ERP offered barcode compatibility for production entry, inventory by location, daily profitability reports, credit management and drag-and-drop planning schedules.

Solution

- ▶ In the winter of 2011, CyFrame took two months to install its complete ERP solution with a focus on the finance, sales, purchasing and production models. Post-installation, CyFrame invested another two months in optimizing and finalizing customization requirements such as the inventory locations, special labels and an upgraded version of the subcontracting module. Finally, Versa added the shop floor bar-code touch screen data acquisition and the wireless shipping modules.

Benefits

- ▶ Key rewards include \$100,000 in savings over a three-year period and the ability to grow the business by 25% without hiring new employees. In addition, customer satisfaction has improved because customer service and sales employees can immediately tell customers and prospective clients which SKUs are available. CyFrame's ERP has also freed up about 185 hours of the production supervisors' time annually allowing them to devote those hours to further enhancing the manufacturing operation. Ongoing maintenance costs will be about 50 per cent less with CyFrame than with Versa's previous provider since Versa employees can make so many of the required changes themselves.

Versaprofiles Products Inc.
St-Lazare-de-Bellechasse, Quebec
www.versaprofiles.com



ERP solutions for the Plastic Industry

“CyFrame rescued us by installing its plastics-industry specific, highly flexible ERP system in just two months – days before the license on our world-renowned, best-selling tier-one ERP was due to expire. Even if our original provider had given us a price cut, we were committed to CyFrame because we needed a plastics-specific ERP system that is as nimble and flexible as we are.”

CyFrame handily averted a potentially disastrous situation by taking just two months to implement the highly flexible and intuitive plastics-specific ERP system Versaprofiles needed to thrive as a standalone firm after more than two decades as part of IPL Inc.

“Our very first conversation with CyFrame’s sales and business analysis teams showed us that they really did know the plastics industry and understood that we were in an emergency situation because of the expiration date on the tier-one ERP system that we’d inherited from IPL,” says Stéphane Gonthier, president, Versaprofiles, St-Lazare-de-Bellechasse, Quebec. “Dealing directly with the people who built and own our new ERP system rather than resellers or integrators ensures a greater understanding of our needs, a deeper commitment and faster response times.”

If Versa had continued with the heavily customized generic system, the company would have had to hire a fulltime IT technician and business analyst who would have spent 70% of their time on the ERP system. Currently, a Versa employee allocates 30% of his efforts to CyFrame’s ERP but that is expected to decrease over the next few months which will allow Versa to realize further significant maintenance savings.

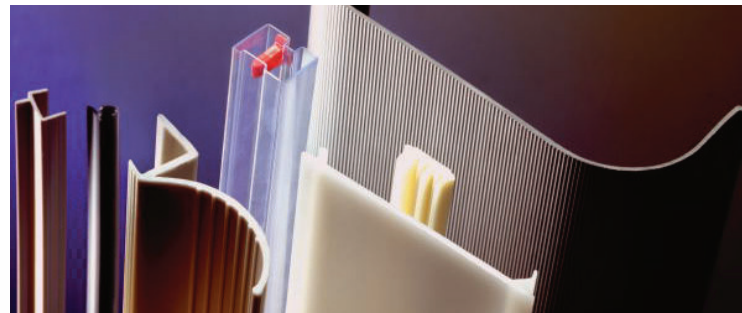
Versa, a firm that’s known for its innovations such as the patent-pending GEOPERFORMX pipe, which increases heat pump efficiency by at least 25% and the first-ever vacuum system for maple sap collection, needed an ERP designed and built by people that were equally forward-thinking.

“Versa is flexible and reacts to what’s happening in the marketplace – our ERP system really needs to facilitate rather than hinder that,” says Gonthier.

A Plastics-Specific, Flexible ERP

Designed specifically for the plastics industry, CyFrame’s comprehensive ERP required little customization and allows Versa employees to make the vast majority of the required changes themselves, for example, adding SKUs.

Versa, which has approximately 1,000 SKUs, needs yet one more SKU every time a new pipe length becomes available,



typically 50 to 100 new SKUs annually. CyFrame’s system is so intuitive, Versa employees simply enter the new SKUs themselves (one to 15 minutes) rather than waiting upwards of three days for a request to work its way through IPL’s head office staff to the 3rd party integrator’s programmers. A new die, shape or colour took even longer with the tier-one ERP system because each of the approximately 50 related SKUs had to be input manually, unlike CyFrame which automatically cascades the change through all SKUs.

“CyFrame’s special copy function dramatically slashes the time it takes to create new SKUs and boosts accuracy because it reduces the likelihood of data entry errors,” says Gonthier.

Versa’s production scheduler appreciates CyFrame’s drag-and-drop capability as it allows him to alter a work order, for example editing a date, with a few clicks. Users can then see if they’re on or behind schedule at a glance. Because the heavily customized, world-class ERP system lacked that capability, Versa employees had resorted to writing the production schedule on a white board.

“As a just-in-time producer, the lack of integrated production planning capability made this process extremely cumbersome,” says Gonthier.

When Versa takes on new customers, employees can easily add all contact information or just an email address quickly and easily. Previously, such changes were complex requiring users to navigate through a series of different windows before reaching the correct screen.

“We simply couldn’t afford the time it took to feed a massive ERP system like the one we had inherited,” says Gonthier.



ERP solutions for the Plastic Industry

"I estimate CyFrame will save us \$100,000 over a three-year period and allow us to grow the business by 25% without adding additional staff. I have yet to measure its full impact on our firm."

Accurate, Real-Time Production Data and Inventory

Versa also has two forklift-mounted, mini-computers with barcode scanners that provide an instant link to accurate, real-time production data and inventory by location. The interface is so simple that operators enter production figures themselves rather than asking a supervisor or die technician, whose time is better spent setting up lines and solving production problems than entering data.

"Managers and operators love it – albeit for different reasons," says Gonthier. It gives management the current, reliable information they need to develop the best possible investment and cost-reduction strategies and everyone has the raw materials, finished product and packaging required for just-in-time delivery.

Operators simply enter the product code into the mobile device via a simple search or scan to see precise numbers and locations. They're not driving up and down the aisles, climbing on and off the forklifts or wandering around looking for something.

"It is much faster, more efficient and uses employees' time more effectively, while potentially reducing possible safety hazards," says Gonthier.

From the employees' perspective, the workplace environment is better than ever as they're not waiting for the information they need to do their jobs or respond to customer or supplier queries. The system is so intuitive that any employee with

basic computer skills can easily create a customer order from scratch or make a change, which is a bonus when a customer demands yet another order adjustment. "Employee frustration has plummeted – everyone is more relaxed," says Gonthier.

Overall, Versa's new CyFrame ERP system has made the company more efficient and cost-effective while providing the relevant, real-time data required to set and meet production demands and make smart, strategic business decisions.

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Stéphane Gonthier
President
Versaprofiles



About Cyframe

Since 1987, CyFrame has become the leading international provider of best-of-breed ERP web-based software solutions created specifically for small- to medium-size plastics manufacturers. CyFrame is uniquely positioned to meet the needs of plastics firms because it offers ERP systems that handle both stock and custom product and have been developed specially for injection and blow-molding, profile and sheet extrusion with thermoforming, and blown film and converting manufacturers. The company also offers integrated financial modules, e-commerce capabilities and secure customer account/profile areas. Onsite training, implementation and support services are offered as part of all CyFrame's ERP solutions.

CyFrame.com | 203 Hymus, Suite 208, Montreal QC H9R 1E9, Canada

T 514 693 0999 | F 514 693 9560 | TF 1 866 293 7263