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Increased Process Controls Facilitate Forecasting, Drive Revenue Visibility and Spur Customer Acquisition



Industry: Manufacturing – High Tech
Company: Corvalent
Solution: Macola 10

Corvalent, based in Cedar Park, TX, manufactures long-life, rugged computing systems at the heart of OEM systems and devices, including revision and document-controlled industrial motherboards, single board computers and embedded controllers.

Challenges:

- Outdated manufacturing solution lacked process controls and functionality to manage costs and organize operations
- Needed visibility into every stage of the manufacturing process, and the impact of highly-customized and last-minute orders, to plan optimum delivery and forecast revenue
- Lacked complete traceability to comply with customer requirements
- Required monitoring of progress in sales process timelines to ensure on-time shipping and to forecast revenue

Results:

- Winning significant new accounts because of increased process controls and traceability
- Robust visibility of KPIs to create forecasts and predict revenue
- Real-time status updates validate rule adherence and progress in sales and manufacturing processes to aid forecasting and shipping dates

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**- Elcio Santos
Corvalent CIO**

Process Controls Win Customers

Corvalent seems like a small company compared to many of its large customers. While Corvalent may not be as large as many of its customers, these customers expect Corvalent to have the same level of process control that they have. **“If we did not have controls, we would not be able to win their business,”** said Elcio Santos, Corvalent CIO. **“I believe because of the level of process controls we have in place, we have acquired some significant accounts that we would not have otherwise.”**

Managing Costs and Operations with Shop Floor Solution

Santos refers to the controls the company achieved after implementing the shop floor functionality within Macola software. Corvalent manufactures custom long-life and rugged industrial computers and needed a solution with enhanced traceability to manage its manufacturing. Corvalent had been using a simplistic manufacturing system that allowed them to create work orders but made it difficult to manage costs and organize operations.

Macola. ERP and business software.

Visibility is Transformational

Corvalent was apprehensive about using shop floor because of its robust capabilities. But the CIO credits the Macola professional services team for helping them to realize the power of shop floor. **“We were able to not only understand shop floor but create visibility. We created workspaces and other reports that allowed us to make shop floor very simple to understand and use,”** remarked Santos.

Now, they can see every stage of the manufacturing process and what operations are in the cue. Plus, they implemented iLynq on top of Macola to learn how much time they spend on each operation. **“Imagine, every order is custom, each configuration is different. So you can’t easily price and know exactly if you’re making enough money, or maybe you’re charging too much because you think it is more work than it actually is. It could go either way,”** said Santos. **“Having this visibility has brought a different level of manufacturing control for us.”**

About Macola

Macola is ERP and business software that manufacturers and distributors use to automate, manage and grow their businesses. The software empowers companies to take control of cost and complexity at every critical stage from design through delivery and see all facets of their business from a single application.

Macola is an Exact product. Exact builds business software for SMEs and their accountants. Our innovative technology is aimed at specific business needs, providing an overview of today and insights into the opportunities of tomorrow. Exact inspires businesses to grow. Our 1,600 employees love, share and support our customers’ ambition. Like them, we aim high. Like them, we aspire to lead the way. That’s how we know it’s a bumpy road to success. And that’s why we build software to help smooth it out, enabling our customers from all over the world to grow.

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Automation to Predict the Future

Boosting manufacturing control achieved a major win—the ability to forecast revenue, which had been a challenge due to customers’ last minute demands. **“We have been under increasing pressure. All of our products are made to order. Customers used to schedule orders months ahead, allowing us to comfortably plan procurement and production and now they no longer do that. Yet, they’re expecting us to be ready to ship products as soon as possible. There is a fine line between satisfying your customers’ last minute demands and keeping lean stock levels. It is also difficult to create visibility for income and revenue in the absence of a customer forecast. We have to create a forecast to the best of our abilities,”** said Santos.

To enable forecasting, Corvalent uses a workspace that displays orders separated in columns by month. It shows bookings, backlogs, forecasts and opportunities that, when summarized, provide expected revenue for each month. **“We want to create visibility of revenue. Our investment decisions, our readiness and growth depend on it. Not having that tool makes it very difficult to manage a business like ours. The results we got from implementing that workspace have been enormous for creating this visibility and even changing the dynamic of our management meetings,”** noted Santos.

Flags and Alerts Amplify Visibility

To validate forecasts, it’s critical to understand the progress in the sales process. Since Corvalent manufactures customized products with a lot of detail, that customization also goes to the sales order. The sales process can start with a prototype, and approvals and verifications go back and forth. This interplay to ensure the product meets the customer’s needs, combined with production planning and capacity requirements, can make it difficult, early on, to predict a final delivery date and accurately pinpoint the timing of revenue gains.

To alleviate the uncertainty, Corvalent created flags and alerts using Macola’s event manager functionality to monitor progress in the sales process. Flags indicate if an order is in evaluation, if it’s been committed by planning, if the committed date is beyond original lead time, and other statuses. Corvalent has rules regarding when an order can be committed, and flags to alert if the rules are not followed.

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This monitoring provides much-needed visibility for Corvalent’s busy leadership team and accurate information to keep customers informed. **“All members of our leadership team are very involved in daily operations, so monitoring what’s going on in manufacturing and also in the sales process is critical,”** added Santos.

Expectations and Accomplishments

Corvalent is a longstanding Macola customer, and the company looks forward to achieving additional successes as it implements more Macola functionality. **“We’ve been using this product for such a long time, it’s an integral part of our company,”** said Santos. **“We are not all the way there yet, but we are years away from where we were before.”**

To learn more about Macola, please call 1.800.468.0834 or visit www.macola.com.