

Wel-Cote Helps Home Improvers With Sage PFW

Whether they're putting up new drywall, adding spray-on textures to existing walls, or repairing cracks in a concrete driveway, do-it-yourselfers throughout the Midwest count on high-performance Wel-Cote products from Welco Manufacturing Company.

Wel-Cote products have been around since the 1940s and are available at home centers, hardware stores, and lumber yards. Welco is a regional firm by design, ensuring close relationships with both vendors and the homeowners and remodelers who form its customer base.

Milt Strader and his wife, Anne, bought Welco in 1990 and quickly learned the drywall product industry. The firm had a solid brand image and loyal employee group, but sales had stagnated. The Straders' new vision and energy resulted in 50 percent growth in their first five years.

From Paper to PC-Based Systems

Welco recorded its accounting and manufacturing data on index cards, without even a computerized general ledger system. The addition of PCs with Microsoft® Excel® spreadsheets helped, as did an Electronic Data Interchange (EDI) for ordering. Finally, however, growth necessitated end-to-end automation of business records and companywide operations.

"In our search for a new system, we met a fantastic [business partner]," Strader says. "She showed us how Sage PFW creates a complete solution. She also helped find an interface for our existing EDI. The selection of Sage PFW ERP was an easy decision. Now the system does everything for us, including inventory management, cost control, production scheduling, demand reports, and accounts receivable and payable."

Customer

Welco Manufacturing Company

Industry

Manufacturing—Drywall products

Location

North Kansas City, Missouri

Number of Locations

One

Number of Employees

30

System

Sage PFW

Modules in Operation

Abra Payroll
Accounts Payable
Accounts Receivable
Bank Book
Formulas
General Ledger
Inventory Pro
Order Entry Pro
Production
Purchasing Pro

Challenge

Unable to achieve desired growth using index cards and spreadsheets to control financials and manufacturing data. Extra staff required to handle manual paperwork. EDI needed to bid work for larger companies.

Solution

Sage PFW ERP, with full complement of financial and process manufacturing modules.

Results

10 percent growth without the need for additional staff; 80 percent of orders use EDI, facilitating business with major retailers such as Wal-Mart, Sutherlands, and Menards.

A Smoother Way to Handle Inventory

Sage PFW tracks the raw materials that go into each of Welco's 50 different formulas, relieving inventory, printing batch tickets, and recording the finished goods. "It functions the way we do," explains Strader. "Procedures are streamlined, and it's easier to control costs. It tells us where we stand in real-time. And I can run reports whenever I want, rather than waiting until the end of the quarter, and keep my finger on the pulse of the company."

Sage PFW eliminated the need for monthly physical inventories. In addition to the latex, mica, clay, gels, and preservatives that go into each product, the company orders more than a million plastic containers a year. Inventory is now tracked by the system for enormous time savings.

EDI Provides Big-Company Presence

An EDI interface allows Welco's customers to send orders electronically. When data is received by Welco, it is transferred directly to Sage PFW, without rekeying. "Major players like Wal-Mart insist on electronic communications with their vendors," Strader says. "Our new system helps keep us competitive. EDI used to account for half of all our business, and now it's up to 80 percent. Clearly, electronic capabilities help ensure our growth."

Strader appreciates the similarity of Sage PFW modules. "If you know one module, you can work on any of the others. This permits a lot of cross-functional work, a necessity for a small firm. When one person is out, someone else can cover for them easily."

He also credits the new system with helping upgrade operations in general. "When we put in Sage PFW, we became a more professional company," says Strader. "It forced us to do things properly, so we are now more disciplined and thus more efficient. These factors have all improved profitability."

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—Milt Strader
President
Welco Manufacturing
Company

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