

Sage ERP MAS 500 | Customer Success

Haremar Plastic Manufacturing wraps up a perfect solution with Sage ERP MAS 500

Since 1965, Haremar Plastic Manufacturing has been a leading Canadian manufacturer of polyethylene products for the North American consumer and industrial markets. The company and its customer product packaging subsidiary, El-En Packaging Co. Ltd, manufactures and distributes polyethylene films for a wide range of uses—from freezer grade films, to films for bread wrappers and cereal bags, to courier pouches, to the shrink film on the case of soda you buy from the superstore. The company's growth and success are based in simple, yet disciplined principals: Start with the best raw materials and utilize the latest technologies and equipment to deliver the highest quality products to customers.

Haremar Plastic relies on Sage ERP MAS 500, a comprehensive end-to-end business management solution, to help drive its profitable operations.

Closes the continuity gap

Two years ago, Haremar Plastic found itself with a continuity gap—the two separate software systems it used to manage its accounting and manufacturing tasks were stifling the company's growth. "There was a disconnect between the different sides of our operations. Our software was not able to move at the speed of our business," explains Mark Lichtblau, corporate vice president for Haremar Plastic and El-En Packaging. "We didn't have transparency or a free-flow of information. We were lacking what I call Business GPS—we had too little insight into our operations and not enough direction for decision making."

Flexibility without compromise

The company evaluated more than 20 available ERP solutions before deciding on Sage ERP MAS 500. "Sage ERP MAS 500 has the demonstrated capability to handle a manufacturing operation of our size and complexity. It is dynamic, flexible, and capable of adapting to our changing business needs," says Lichtblau.

The availability of highly-regarded and tightly integrated process manufacturing and scheduling components for Sage ERP MAS 500 factored significantly in the selection process. "We are both a process and discrete manufacturer," explains Lichtblau. "Very few ERP solutions can handle both types of manufacturing effectively and equip us with advanced planning and scheduling tools to ensure efficient production. Sage ERP MAS 500 with O2 Process Manufacturing and PlanetTogether APS handles all of our needs. It gives us the flexibility we need without compromising our requirements."

Challenge

Haremar Plastic's separate manufacturing and accounting systems led to a disconnect in operations. Lack of precision and control led to waste and inefficiencies in production.

Solution

Sage ERP MAS 500, combined with Sage Partner Solutions support process manufacturing and production planning and deliver a comprehensive business management solution for the company.



Customer

Haremar Plastic Manufacturing Limited

Industry

Manufacturing

Location

Toronto, Ontario

System

Sage ERP MAS 500

- General Ledger
- Accounts Payable
- Accounts Receivable
- Cash Management
- Sales Order
- Inventory Management
- Inventory Replenishment
- Purchase Order
- Light Manufacturing/Advanced Kitting
- Warehouse Management

Sage Partner Solutions

- O2 Process Manufacturing
- PlanetTogether APS
- O2 Mobile Warehouse

Results

Profitability increased by three percent in the first 60 days with full ROI in less than one year. Increased inventory accuracy reduces costs by nearly 15 percent annually. Accurate batch costing increases profitability and product quality.

Haremar Plastic is equally pleased with its selection of a Sage business partner. “They have the product knowledge, business prowess, skills, and experience to support a large operation like ours. They have demonstrated their commitment to our success from the beginning with a very successful implementation,” Lichtblau says.

Increases inventory accuracy

Under the old system, inventory inaccuracies and the resulting adjustments often consumed up to 15 percent of the company’s raw material costs. “We simply didn’t have the accuracy we needed. In some instances we thought we had the material but didn’t. In others we had it on hand, but thought we didn’t. Our purchasing decisions were based on inaccurate data and often resulted in waste,” recalls Lichtblau. “Compounding the problem was the need for staff to perform the inventory adjustments to correct our stock levels once the errors were detected. Often as many as five individuals were involved in reviewing reports and settling the inaccuracies. It cost us a lot of time and resources.”

Now, Lichtblau reports that inventory adjustments are less than one-half of one percent annually: “It adds up to a cost savings of nearly 15 percent per year—a significant sum. We have tight control of our inventory resources right from the start. The savings flow throughout the organization because we have fast access to accurate data.”

Gains precision and control

The company’s manufacturing operations run around the clock, 355 days a year. “We use a tremendous volume of raw materials so even a small rounding error adds up over time,” says Lichtblau. “Before we only could batch by day, so precision, accurate costing, and control suffered. Now we have the precision necessary to accurately cost every batch and every product. As a result, overall product quality and consistency have improved as well as our profitability.”

“We increased profitability by three percent within the first 60 days alone, and we realized a full return on investment in less than one year. That’s success.”

Mark Lichtblau
Vice president Haremar Plastic
and El-En Packaging

Haremar Plastic also has experienced increased efficiency and productivity. “We have raised the level of sophistication of our operation—our entire inventory is bar coded and warehouse staff is equipped with handheld, wireless data collection devices,” says Lichtblau. “This makes it easy to track product movement and lot numbers throughout the process.”

Employee morale has also improved. “Our staff is inspired by seeing the improvements we made and by being part of the decision making process and resulting success,” Lichtblau adds.

Full ROI in less than one year

“We have a world-class solution that helps us better manage all aspects of our business,” concludes Lichtblau. “We increased profitability by three percent within the first 60 days alone, and we realized a full return on investment in less than one year. That’s success.”

About Sage North America

Sage North America is part of The Sage Group plc, a leading global supplier of business management software and services. Sage North America employs 4,000 people and supports 3.1 million small and mid-sized business customers. The Sage Group plc, formed in 1981, was floated on the London Stock Exchange in 1989 and now employs 13,100 people and supports 6.2 million customers worldwide. For more information, please visit the website at www.SageNorthAmerica.com.