

Morgan Engineering cuts costs and builds profits with help from NexTec

Morgan Engineering

Industry

Industrial Manufacturing

Location

Alliance, Ohio

System

Microsoft Dynamics GP

Challenge

Morgan Engineering has a unique manufacturing model and struggled to find software and a business partner that could help it modernize its business software to support its growing operation.

Solution

NexTec re-implemented Microsoft Dynamics GP, to address the company's core business challenges. In addition, a project costing application and customized MRP system combine to form a complete business management solution.

Results

- Project cost creep has been cut by two full percentage points generating a huge cost savings.
- Access to real-time project cost data helps keep projects on track and profitable.
- Significant time savings and improved accuracy resulting from an automated purchasing system.

Morgan Engineering is something of an anomaly among manufacturers. The company has skillfully managed to remain at the forefront of innovation, while at the same time retaining the business ethics, service commitment and American base of operations that have powered it since 1868. The company manufactures complex industrial equipment, including overhead cranes and even hydraulic components for the retractable roofs on sports stadiums like Toronto's Sky Dome, New York City's Arthur Ashe Stadium, and Seattle's Safeco Field.

“NexTec got it 100 percent right. Immediately we were getting real time cost information, our invoicing was spot on and our inventory counts were completely accurate.”

Mark Fedor, President and CEO, Morgan Engineering

Complex operations demands modern tools

When the company sought to replace its twenty-five-year-old accounting application with a new, modern business management solution, it looked at the leading applications in the market space, including offerings from Sage and Microsoft.

“We have some unique requirements as manufacturer,” explains Mark Fedor, President and CEO of Morgan Engineering. “Our production cycle is long and complex, and every item we build is customized to suit our customers' application. Due to the length of the cycle, we bill customers based on a percentage complete basis. This type of operation is difficult to find in an off-the-shelf application, but we really didn't want to invest in a heavily modified system, so we looked for software that was robust and flexible.”

Fedor and his team felt that Microsoft Dynamics GP came closest to what they needed, and the business partner representing the solution was adamant that little customization would be needed to meet the company's unique operations.



Success Story: Morgan Engineering



Mark Fedor, President and CEO

Implementation goes horribly wrong

“We went forward with the implementation, but when we got to the testing phase, we realized something had gone horribly wrong,” Fedor recalls. “It was painful. It took us 20 days to complete our billing and even longer to close out the month. There were inaccuracies we couldn’t trace in our inventory counts and the vendor seemed at a loss to know how to remedy the situation.”

Fedor says he was near his breaking point when he had a conversation with a colleague and mentioned the challenges Morgan Engineering was facing. “He said his company was also using Microsoft Dynamics GP and was experiencing great results. They praised their business partner, NexTec Group, as being highly competent, creative, candid and resourceful. I decided to call NexTec.”

NexTec makes the difference

The NexTec consulting team moved quickly to understand Morgan Engineering’s business model, its

workflows, its objectives and its current hurdles. Following the evaluation, the consultants outlined a plan of action that Fedor says was nothing short of brilliant. “They advised us to toss out the manufacturing component of the software. We operate much more like a custom job shop than a traditional manufacturer. They recommended we use a third-party application that integrates tightly with Microsoft Dynamics GP, and offers the functionality we need to handle our operations.”

Live in just 60 days

Thanks to thorough planning and testing, Morgan Engineering went live on a re-implemented application in just 60 days. “NexTec got it 100 percent right,” says Fedor. “Immediately we were getting real time cost information, our invoicing was spot on and our inventory counts were completely accurate.”

Insight, accuracy and efficiency gains

In the past, the company struggled to get real time cost information about its projects. Often times, the true costs weren’t known until after a project was complete. “By then of course, it’s too late to react,” says Fedor. “Now we have insight into the current state of every project and can forecast the costs to complete very accurately. This buys us the time to take corrective action if we see that a project may go off track. It’s priceless information, really.”

NexTec has gone on to develop a materials requirement planning application that accepts bill of materials data from the company’s CAD software and will create purchase orders in Microsoft Dynamics GP for the components that are needed.

“This saves us a tremendous amount of manual effort and gives us confidence in the accuracy of our data,” says Fedor.

“Imagine manually entering all those lines of data into a purchase order. A single mistake could conceivably cost tens of thousands of dollars. Now we’re both faster and more accurate.”

Eliminate cost creep

With projects that typically last for nine or ten months, Fedor says it was common to see a cost creep of up to three percent. Since the re-implementation, though, Fedor says the company has successfully reduced creep to a mere one percent. “That represents a lot of money that goes straight to the bottom line,” he adds.

A partner in the business

Morgan Engineering learned first hand the value a professional partner brings to a software implementation. “If your business partner doesn’t understand how you do business, the results can be a nightmare,” Fedor notes. “NexTec impressed me with their thoroughness and their capability to understand our business. They made our business their business, and as a result we’ve seen tremendous success.”

Fedor concludes, “The service we continue to receive from NexTec is impeccable. From the most basic question to brainstorming new initiatives and solutions, NexTec has become a real partner in this business. The fact that they are so good at what they do buys me the time to focus on business strategies rather than just on the day to day tasks of running this operation.”

About NexTec Group

NexTec Group is an award-winning business software consulting firm offering ERP, CRM, BI, Cloud and on-premise solutions to mid-sized businesses. Embrace technology, transform your business.



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