

Case Study

Lowe Manufacturing

Lowe Manufacturing Raises Operational Efficiency and Market Competitiveness

About Lowe Manufacturing

Since its beginning in 1971, Lowe Manufacturing Company has been designing and building hydraulic-powered auger, trenching, and grapple attachments. This family-owned business, located in rural Wisconsin, has grown from its small roots into a worldwide leader of quick-attach systems for skid-loaders, loaders, backhoes, and other hydraulic equipment, practically making them “all-in-one” machines.

Challenge

Find a new Microsoft Dynamics NAV partner that could assist Lowe in using NAV to its fullest. New implementation must be able to access data and manage day to day operations including job costing, pricing, inventory management and customer service.

Lowe Manufacturing was no stranger to Microsoft Dynamics NAV. The company purchased the product previously, but had a lot of false starts. “We were really not using NAV to its fullest and needed an experienced Microsoft partner who understood our manufacturing processes and how the solution would fit our business requirements,” said Mary Lowe, Vice President at Lowe Manufacturing. As the company continued to grow, so did the difficulty in accessing data and managing the day-to-day operations including job costing, pricing, and inventory. “Our systems and processes required a lot of manual data entry and reconciliation and it was not working for us. This disconnect between our systems also obscured our visibility into our overall business and we realized it was time to find a new technology partner that could get us back on track,” said Lowe. After careful consideration, Lowe chose Innovia Consulting, a leading Gold Certified Microsoft Dynamics ERP partner, to re-implement Microsoft Dynamics NAV and harness all of the benefits it has to offer. “Innovia came very highly recommended based on their manufacturing knowledge and expertise. They were also local to our office which gave us piece of mind that they would be available when we needed them,” she added.

Case Summary

Enabling Technology:

- Microsoft Dynamics NAV

Solutions:

- Innovia knowledge base
- Innovia business model

Results:

- Enhanced inventory management and manufacturing cost calculation capabilities
- Streamlined financial reporting
- Improved management visibility into operations for quicker decision-making
- Enhanced customer service capabilities
- Improved sales and marketing capabilities
- Greater employee productivity and effectiveness
- Integrated and modifiable solution that is easy to use and will grow with the business

Solution

Since previous NAV implementations were not fulfilling the needs of Lowe, Innovia was challenged to create a custom system to reflect the unique way in which Lowe operates their business.

The system had to integrate:

- Inventory management
- Job-costing
- Financial reporting
- Customer service

It was quickly determined that many of Lowe's challenges centered on inventory management. According to Lowe, "Having too much inventory quickly ate up cash resources, but having too little inventory could lead to product delays, order changes, and the loss of customers. We needed the ability to match our available products with customer demand to make production activities as efficient as possible."

Without knowing the up-to-date financials, Lowe was also struggling to determine true manufacturing costs. Since purchase orders and sales orders were not housed within the same system so it was difficult to track what they had and what they needed. A key requirement included incorporating the warehouse processes into the calculations to streamline inventory, production productivity and costs. In doing this, Lowe would be able to focus on its production yields without increasing manufacturing costs or competitive pricing.

Looking Ahead

Lowe has been able to cut operational costs and reduce errors by automating key business processes. "Now with an integrated and automated system, we've doubled the number of invoices that we process each day without adding more staff," Lowe said. "NAV provides the critical business information we need at our fingertips to assess risk, plan for business continuity and make more timely decisions," said Lowe.

Many of those timely decisions focus on inventory management. By controlling inventory and managing vendor relationships, the customer experience has improved as well. "We can link a purchase order with the sales order and know immediately what job the materials are for," said Lowe. The ability to view order history further helps Lowe better manage inventory trends and product availability. Plus, with the up-to-date financial information, Lowe now knows the true manufacturing costs as well. "We can provide more accurate price quotes to our customers while remaining very competitive. This means we are winning more sales overall," said Lowe. According to Lowe, the new partnership with Innovia and the custom NAV application have been the essential tools to help drive operational efficiencies and enhance competitiveness across the board. Lowe says, "With the expertise of Innovia and the capabilities of Microsoft Dynamics NAV, we've continued to be very competitive in the market while saving a huge amount of operational costs. We couldn't have done it without Innovia's guidance and owe much of our continued success to the Innovia team."