



Microsoft Dynamics Customer Solution Case Study



Customer: Zurn

Web Site: www.zurn.com

Customer Size: 1,000 employees

Country or Region: United States

Industry: Consumer goods manufacturing

Partner: Advanced Systems Integration

Customer Profile

Pennsylvania-based Zurn is a major manufacturer of plumbing products and accessories. The company's commitment to quality makes Zurn a leader in this industry.

Software and Services

- Microsoft Dynamics™
 - Microsoft Dynamics AX

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Integrated ERP Solution Empowers Manufacturing Company

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Bill Masek, Director of IT, Zurn

Business Needs

With annual sales revenue approaching U.S.\$500 million for fiscal year 2008, Zurn is a major manufacturer and distributor of commercial-grade plumbing products and accessories. Its 10 product lines are engineered by domestic and foreign vendors, manufactured across nine locations in the United States, and sold through 70 independent agents throughout the United States.

Due to the acquisition of new businesses, Zurn was running three disparate enterprise resource planning (ERP) systems from Oracle, IMI, and Data General. Financial reporting and data sharing across business units was time consuming, and upper management was left without a real-time enterprise view of sales and warehouse data—there was at least one day of lag time for any reporting.

The restricted flow of information made it difficult for Zurn employees to accurately cycle count inventory at manufacturing and distribution sites. Not having a comprehensive, single-source ERP solution to handle all accounting and finance operations meant that accounts payable data had to be entered into two separate

systems—a finance system and a sales order system. Zurn executives wanted a versatile ERP system that would address these challenges and meet changing business needs.

“To handle our current and future business requirements, we needed to find a complete and integrated ERP system that would adapt to our changing business needs and provide up-to-date accounting, inventory, and sales order data without redundant data entry,” says Bill Masek, Director of IT at Zurn. “We have a very flexible supply chain system that is heavy on the distribution side. Without flexibility and full inventory and sales order visibility across all sites, we can’t provide the quality of service our customers deserve.”

Zurn was particularly concerned about the significant amount of IT resources and high total cost of ownership required to maintain and scale an ERP system. Adding to this concern, the company needed a solution that would be powerful enough to handle its uniquely unpredictable supply chain process. The company also wanted a cost-efficient deployment strategy that would control and reduce the total cost of ownership typically associated with such a system.

“We were worried about high consulting costs throughout the lifetime of the system,” says Masek. “We needed a powerful, yet simple and cost-effective, solution.”

Solution

Zurn worked with Microsoft® Gold Certified Partner Advanced Systems Integration (ASi) to customize and deploy Microsoft Dynamics™ AX business management software as its complete and fully integrated ERP solution.

Tailored Solution

ASi paired its product customization and implementation services with an on-site training program that provided Zurn with the expertise to operate and manage Microsoft Dynamics AX. This program also provided employees with the aptitude to implement, fix, and customize the software with little to no assistance from consultants.

Zurn developers created several process-specific features and functions. The most significant of them is the kitting function, which tracks and moves all the components that need to be brought together for assembly.

“Our IT team was able to successfully add complex kitting functionality,” states Masek. “This was an example of how well our team understood and exploited the power of the AX platform after working with Advanced Systems Integration (ASi).”

Manufacturing Process Automation

ASi used Microsoft Dynamics AX to handle manufacturing process automation and to provide total and real-time visibility of sales orders and inventory. The sales force and warehouse employees were given access to the same inventory information.

“Microsoft Dynamics AX, through its native advanced planning and warehousing capabilities, has enabled us to automate resource-planning processes and invoicing through batch jobs,” notes Masek. “We’re now able to automatically run reports continuously.”

Benefits

Microsoft Dynamics AX has been successfully deployed to 15 sites and 300 users across the company. Since implementing the solution, Zurn has experienced several improvements to business processes and enjoys a low total cost of ownership.

Maintain Low Total Cost of Ownership

Moving from three incompatible ERP systems to Microsoft Dynamics AX significantly reduced IT costs at Zurn while boosting capabilities.

“By using Microsoft Dynamics AX, we’ll save around \$250,000 to \$300,000 per year in ongoing IT expenses,” estimates Masek. “And since ASi was able to simplify our specifications while increasing capabilities, we received added value to our IT investments and reduced our costs and deployment time.”

Because Microsoft Dynamics AX can be deployed as either a corporate ERP (hub) by easily integrating into legacy systems or a divisional/line solution (spoke), Zurn is continuing to find more and more ways to take advantage of the business management software. “Acquiring Microsoft Dynamics AX is the first step in transforming IT into a corporate asset,” says Jeff Onesto, Business Development Director of Advanced Systems Integration (ASi). “Microsoft Dynamics AX consistently proves to be a flexible and cost-effective alternative to SAP

and Oracle, and Zurn can feel very confident about Microsoft’s long-term product development road map for Microsoft Dynamics AX.”

Eliminate Redundancies and Automate Processes

Replacing three different ERP systems with one fully integrated ERP system has reduced redundancies across all business units in almost every application and business process. Zurn is also able to take full advantage of its material requirements planning system to automate its resource production and planning procedures.

“These types of processes and automations have introduced efficiencies throughout the company,” says Masek. For example, the company has reduced its inventory by 20 percent and increased inventory turns by nearly one full turn. The company also has streamlined resources and reduced its payroll.

Increase Inventory Visibility

Zurn uses Microsoft Dynamics AX to provide a real-time view of sales data, purchase orders, and inventory. This functionality boosts sales performance by giving the Zurn sales team more predictable visibility into inventory so that they can better serve customers and shorten delivery time.

“Dynamics AX has freed our employees to provide our customers with better and more efficient service,” says Masek.