

# Archer Advanced Rubber Components

Founded in 1997, *Archer Advanced Rubber Components* started out as a precision manufacturer of lathe-cut seals and gaskets. Over time, they expanded their capabilities to include manufacturing die cut and extruded products. Today, the company designs and manufactures precision lathe-cut seals and gaskets from all types of elastomer materials, including silicone, nitrile, neoprene, EPDM, fluoroelastomers, and more. Additionally, Archer Advanced Rubber manufactures molded components, extrusions, and die cut gaskets from these same materials.



*A new addition to expand capacity at Archer Advanced Rubber's production facility.*



*A variety of rubber components and pieces manufactured at Archer Advanced Rubber.*

Headquartered in Winston-Salem, North Carolina, Archer Advanced Rubber also provides o-rings, washers, gaskets, seals, bushings, grommets, and standard rubber goods. Their custom parts are used in a wide range of industries, including appliances, lawn and garden, automotive, and marine, and can be made to fit just about any product that requires a precision seal. An ISO 9001-certified company, Archer Advanced Rubber employs an innovative inventory management system to help its customers eliminate waste, minimize inventories, and facilitate lean manufacturing.

After several years of rapid growth, Archer Advanced Rubber's management team determined that the company's patchwork system of Quickbooks and manual spreadsheets could not keep up with the company's needs. Recognizing the need for a more sophisticated business management system, they investigated numerous ERP systems. In 2009, company President George Halages made the decision to go with *Global Shop Solutions ERP software*, and Archer Advanced Rubber went live with the software in April of that year.

"Our main concern was the inability of people to communicate with each other and share the same information," recalls Halages. "We looked at many different ERP systems, and Global Shop Solutions was clearly the best fit for us. Now, our sales, operations and logistics people are all looking at the same information all the time. That alone was a huge improvement over our old system."

"Another big issue was the lack of visibility around open orders. We had no way of running MRP other than looking at a spreadsheet to see what was due for the next month or two. We could run some manual calculations to determine how much a particular order was going to use of each material, but it was a slow and laborious process. We needed a way to manage that process more efficiently, and we got it with Global Shop Solutions."

## 30% Growth Without Additional Overhead

The company-wide access to information began producing immediate results. In the past, tracking down information about a particular part or work order required finding the person responsible for that order and having them research the answer. Now, people can find the data they need with just a few keystrokes.

For example, previously, when customers called in to check the status of an order, the salesperson had to track down the customer service person. That person had to go into Quickbooks and/or various spreadsheets to find the information. Then they usually had to track down a third person to verify the accuracy of the data.

Now, salespeople log on to Global Shop Solutions' **Customer Relationship Management** (CRM) software. Within seconds they can access accurate, up-to-date information about the customer's order, including parts ordered, parts in progress, and parts that have been shipped. If necessary, they can review the customer's entire purchase history (from the same screen) to find the data they need. Customers appreciate getting their questions answered in a timely manner, and Archer Advanced Rubber salespeople no longer waste time tracking down people and information.

"Since implementing Global Shop Solutions, people in all areas of the business work faster and more efficiently, but especially our administrative staff," notes Halages. "As a result, we've been able to grow the business by 30% without increasing our admin headcount."

## Accurate Inventory Management

At Archer Advanced Rubber, each part number represents a unique product. And with more than 800 active part numbers at any given time, maintaining appropriate **inventory** levels presents a real challenge. This challenge is magnified by the fact that many of Archer Advanced Rubber's customers require them to maintain minimum inventory levels for the parts they order.

With Global Shop Solutions ERP software's robust inventory management features, like minimum reorder quantity, Archer Advanced Rubber can easily keep inventories at sufficient levels and avoid constant stock-outs with customer parts. Previously, tracking inventory required a fair amount of guesswork. Now, managers know exactly what parts and materials they have in inventory, how many are already allocated to orders, and how much free stock remains available. And they can access this information from many different areas of the ERP software, with just a few clicks of the mouse.

In addition to avoiding stock-outs, Global Shop Solutions ERP software has also helped Archer Advanced Rubber reduce inventory carrying costs.

"It's hard to come up with a precise number because we didn't have a very accurate picture of those costs in the past," he acknowledges. "But there's no question Global Shop Solutions has lowered our inventory costs. And we now know with a high degree of accuracy what we have in inventory and how much it cost."

"Global Shop Solutions also helps us do a better job of managing our backlog of orders. In the past, we had to go to Quickbooks to see how much we had on hand, how much of that was allocated against other work orders, and whether we had any more on order. Now we can instantly see what materials we have on order, when they were ordered, when they're due in, and how much we're getting."

## A Powerful Business Management Tool

Halages sees Global Shop Solutions ERP software as more than just a good system for leaning production processes. It also gives him a powerful **business management tool** for tracking key business metrics, analyzing trends, and making better decisions.

To get a daily snapshot of the business, he uses the Supply & Demand and CRM screens to track open orders, backlogs, jobs in progress, daily shipping reports and more. He reviews the sales analysis and other reports available in the **Sales Analysis** application and keeps tabs on new order bookings in Order Entry. And he regularly uses the general ledger transaction detail feature to monitor the company's outgoing cash flow. To get a longer-term view, he uses Global Shop Solutions ERP software data to perform trend analysis on costs, sales history, gross margins, part usage, and other key areas of the business.

“Every month we look at inventory levels to see whether they’re increasing or decreasing,” he explains. “We monitor labor hours and labor dollars spent, as well as material usage. And we track on-time delivery and order fill rates. We’ve always had a fairly high on-time delivery percentage. As we’ve grown, Global Shop Solutions has allowed us to maintain that rate without having to add more people.”

“We also do a lot of cycle counting because we have a lot of unique part numbers. Global Shop Solutions ERP software helps us see what those parts are doing over time; for example, where the parts are, if they’re in the right place, and if they’re not, why not?”

## Improving Customer Response Time

For today’s manufacturers, staying competitive requires the ability to respond quickly to customer requests, and Archer Advanced Rubber is no different.

Archer Advanced Rubber’s customers strive to minimize inventory. So when they get a spike in demand, they call and order parts ASAP. If Archer Advanced Rubber has an inventory stocking agreement with the customer, the parts should be available in inventory. If not, Global Shop Solutions ERP software instantly identifies how much material Archer Advanced Rubber has on hand, how much is coming in, and what jobs it’s allocated to. Once managers know what they have, they can adjust the schedule accordingly to accommodate the customer’s needs.



*Part of the rubber component mixing process at Archer Advanced Rubber.*

“With Global Shop Solutions, our ability to respond to customers has improved dramatically because we have the information to make the right decisions,” says Halages. “If it’s a situation where we have to do something right away, such as fit in a drop-in order, we can communicate it directly through Global Shop Solutions. That way, everybody gets the same information at the same time.”

Archer Advanced Rubber uses Global Shop Solutions ERP software’s powerful **Global Application Builder (GAB)** to manage incoming overseas shipments more effectively. The company buys some of its parts from China, which are shipped by boat and can take up to five weeks to arrive. Global Shop Solutions ERP **Custom Team** wrote a special GAB program that tracks whether a part has been ordered, if it is in transit, and the expected arrival date. It automatically merges the data into the Supply & Demand screen, allowing managers to easily compare demand for

those parts with current supply on hand and what is arriving via transit.

In addition, Archer Advanced Rubber used Crystal reports to create several custom reports for tracking and analyzing obsolete or slow-moving inventory. These reports sort the data by salesperson and customer, identify any open orders, and indicate the last time a part was shipped. Armed with this information, Halages and his team can make informed decisions about whether to continue making the parts.

“Global Shop Solutions takes all the information about our customers, their orders and their parts and puts it all in one place where everybody can look at it,” concludes Halages. “As a result, we communicate better, we work more efficiently, and we can serve our customers better. That’s a powerful tool to have in a growing company.”