



Epicor Success Story

Standex International Corporation

Company Facts

- ▶ Location: Salem, New Hampshire
- ▶ Industry: Global Manufacturer
- ▶ Number of Employees: 4,700

Success Highlights

Challenges

- ▶ Needed a flexible and comprehensive ERP solution that could address the needs of Standex's diverse product lines—from job shop to repetitive manufacturing

Solution

- ▶ Epicor Vantage

Benefits

- ▶ Robust application set, with low overall cost
- ▶ Ease of use
- ▶ Reduced labor costs
- ▶ Quickly integrate newly acquired companies



Imagine you are the IT Director of a company with 90 plants in 17 businesses that make more than 48,000 products that span the range from custom hydraulic cylinders and missile nose cones, to fine china and religious literature. Imagine also that these widely disparate and geographically dispersed businesses all rely on centralized, custom-developed software running on 'big iron' at corporate headquarters. That's the way things were at Standex International Corporation, with headquarters in Salem, New Hampshire, before a major transition to newer and more easily supported systems began.

The first transition, a number of years ago, was to move off of the central mainframe onto 45 distributed minicomputers, with corporate IT providing standard applications for each division. All support was handled by corporate IT. As time and technology moved forward, it became clear that network-based packaged ERP offered a more cost-effective solution that could give the plants more autonomy while reducing the support burden on both local and centralized IT resources. So, Standex went shopping for a packaged ERP system that was comprehensive and flexible enough to address the needs of such a wide-ranging manufacturing enterprise.

"We looked at all the usual suspects," says Andy Lippo, corporate MIS director. "I won't name names, but we considered all the major mid-range systems. We hired a consultant and put together an RFP (request for proposal)

and went through the full selection process.” Flexibility was a prime criterion, since the various businesses within Standex cover such a very wide range of manufacturing situations and needs—from job shop to repetitive manufacturing—and some plants with both, which Standex calls mixed-mode plants.

In addition, Standex wanted a “one stop shop” for software and services that could provide support for all the companies worldwide. While the individual companies within the corporation operate autonomously, consolidated information is required at the corporate level, so multi-plant consolidation was also a requirement.

Another key criterion was overall cost: “We were interested in the total cost, acquisition cost, of course, but also the labor cost to implement, operate and support the systems.” Epicor solidly met all requirements and won the business. Today, Standex is standardizing all plants and its corporate headquarters on the Epicor Vantage solution. From a starting point of 45 individual systems, Standex is consolidating the IT infrastructure onto seven hubs that will each support a group of companies. The hubs are set up based on possible synergies available through similarity in markets and/or product types.

The Philadelphia hub for the Air Distribution Group, for example, supports eight companies. The Engraving Group hub in Rochester NY has 12 companies participating. The Food Service group hub resides in Albany, Mississippi, and supports six companies. “As technology gets cheaper and labor gets more expensive, we are looking for the best arrangement to give us a low labor cost with low investment in equipment and software as well,” Lippo explains. “We found that with Epicor. ERP is a great tool but there can be a high cost (to implement it) and a lot of maintenance support. Epicor is a robust application set, but the overall cost is low.” Lippo says the key is ease of use. “Training on the Vantage system is quick and easy,” he explains. “There are tutorials built right into the applications.”

One objective of the project is to improve management reporting to corporate headquarters. Standex is using the Vantage Business Intelligence (VBI) application to accomplish that reporting effectively. “The consolidation efficiencies reduce our labor costs,” states Lippo. “We are setting it up so that the financial information automatically flows up to corporate, with local review.

At corporate, we have the centralized accounting function, also on Vantage. Each company operates autonomously within the Vantage multisite setup.” VBI at the hubs consolidates information from the companies using that hub and allows division management to review the results before sending them on. VBI at corporate headquarters in New Hampshire gathers the data from the hubs and consolidates it at the corporate level. Standex is using a Balanced Scorecard approach, including operational data as well as financial results.

In addition to manufacturing sites all over North America, Standex has operations in Europe and Asia, so multi-national capabilities were an important consideration. “We have one operation in Europe that will be first in our international rollout. That’s the Barbeque King plant in the U.K.,” says Lippo. “And we’re working on other plans in Eastern Europe and Singapore.” Standex is making sure that the software is properly ‘localized’, that is, contains the functionality needed to address local customs, process, regulations, and ways of doing business, before rolling it out in each country. “We wanted to make sure the vendor could support us in every geography as well,” adds Lippo.

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Andy Lippo, Corporate MIS Director | Standex International Corporation



The focal point of the two-year rollout project is an implementation team consisting of two senior “manufacturing systems integrators” who are well versed in the Epicor software and highly trained in manufacturing operations. The team travels to each new hub location to review the business case with division management and document expected return on investment and improvements, plant by plant. Next, responsibilities are assigned and local teams take charge. The corporate team helps with training, makes sure that the project stays on track, and reports progress to corporate headquarters. Early adopters are showing great improvements in operational payback and savings. The Spincraft plant in Wisconsin, one of the first Standex companies to implement Vantage, is a contract manufacturer (job shop) that is using the full Vantage system including data collection.

Although the company was reluctant to provide financial details, they enthusiastically reported a “great return” on their efforts and investment. When the division is able to roll up and report data to corporate automatically, the savings will be even greater.

Standex has a long and successful record of buying well-run businesses and integrating them into the corporate family for ‘win-win’ results. Synergy is an important factor at Standex: capitalizing on the strengths of the businesses they acquire, while translating these strengths into opportunities that raise the performance of Standex as a whole. In this way, success in one Standex business contributes to success in others.

An important factor in achieving the desired synergy is using technology to reduce costs and enhance supply chain operations. The hub-based IT infrastructure, built on the outstanding operational capabilities of the Vantage system, is a key component for achieving these synergies. Using Vantage to achieve their stated goal of continued expansion through targeted acquisitions, Standex is well positioned to integrate newly acquired companies quickly into the fold and start reaping those benefits that much sooner.

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software that is designed around the needs of our manufacturing, distribution, retail, and service industry customers. More than 40 years of experience with our customers’ unique business processes and operational requirements is built into every solution—in the cloud, hosted, or on premises. With a deep understanding of your industry, Epicor solutions spur growth while managing complexity. The result is powerful solutions that free your resources so you can grow your business. For more information, [connect with Epicor](#) or visit www.epicor.com.



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