

Edge Manufacturing

Webco Spins Its Plans for ERP

Air conditioning specialist thinks an ERP system will be really cool

By Gabriel Allan

Growing revenues and a leading market position may be great for a company's bottom line, but it can bring problems, too. This has been the case since the late 1990s for Webco Inc., Springfield, MO.

The custom manufacturer of air-handling equipment is experiencing rapid growth. And as it grows, Webco needs to get a firmer handle on its information and manufacturing processes, according to Dennis Coons, information technology manager for the company.

The company, Coons says, wants an enterprise resource planning (ERP) system to optimize the flow of information through various departments,

which will eliminate double keying as well as duplication of numerous processes. Webco has been working towards buying an ERP system for more than two years, Coons adds.

One of the leading designers and manufacturers of industrial, institutional, and commercial air-handling equipment, Webco was acquired by

Nortek Inc. in 1999 and has about 120 employees. Its annual revenue in 1999 was more than \$20 million, according to the company. Nortek, based in Providence, RI, is a holding company with numerous subsidiaries in residential, building, HVAC, and window and door market segments.

(Interestingly, Webco has very little to do with the Internet, despite its name. It happens that it was founded by William Eugene Bennett, who used his initials to name the company in 1977.)

The company's recent acquisition by Nortek has placed some stumbling blocks on the road to acquiring an ERP system: any choice Webco makes could eventually affect the other organizations under the Nortek umbrella. So, although Webco has created a short list of possible suppliers, by necessity, the decision to go forward is still up in the air, Coons says.

Shopping List

Webco's checklist of software capabilities

- A product configuration tool
- Software to integrate data from different departments
- A tool to generate reports based on requests from any department or from corporate headquarters.

"Because we're a subsidiary, what we pick could affect a lot of other companies."

"We're not just buying for ourselves now," he explains. "Because we're a subsidiary, and have lots of sister companies in our group, what we pick could affect a lot of other companies. That's why we expanded the effort to include some of our sister companies in the selection process. And, that's one reason why the decision-making process is taking so much time."



Dennis Coons, Webco's information technology manager.

But eventually ERP will come. And the company that will help Webco reach that goal is Managing Automation Software Guides (MASG).

MASG is a division of Thomas Publishing Company of New York. The company's online products—MASG.com and meaonline.net—are

helping Webco weigh and evaluate 129 potential vendors and software packages to find the ERP system that will best suit Webco's needs.

MASG to the rescue

To help potential software buyers find the product that's just right for them, MASG offers two online products: MASG.com is a free Internet site where

users can find information on the vendors and products available in the enterprise software market. Meaonline.net is a paid subscription site that provides additional research tools for software shoppers.

Meaonline's technology includes a database and software selection tool for the enterprise software market. The site can help users cut down on the amount of time they need to research software and vendors by providing quick access to information about more than 700 vendors.

The service costs between \$75 and \$495 for a year's subscription, depending on the databases the customer uses, according to MASG. To use all of the site's features, a customer has to use Microsoft Internet Explorer 4.0 or higher.

The database at meaonline.net lets prospective buyers locate vendors, build

a set of custom specifications, and rank products according to those specifications. At meaonline.net, users can also do side-by-side comparisons of vendors and their products. Meaonline even helps subscribers develop and issue RFPs. Since the service is on the Internet, subscribers aren't chained down to a desk or office facility—they can use the database from anywhere they have Web access.

By combining the resources of meaonline.net with the free, public MASG.com site, users can identify vendors, obtain background information on possible suppliers, and keep current with the latest industry news. Collectively, the Web site and database provide a useful tool for buyers to find, evaluate, and compare enterprise-wide software packages.

Long-time customer

Webco has been an MASG customer for nearly three years, according to Coons. "We don't have any [enterprise] software at all," he says. "But we've been experiencing rapid growth, and we need to keep careful track of the information and processes of our business."

Webco is looking to acquire several functionalities, according to Coons. "We're looking for a product configuration tool, and we're looking for something that will integrate the functions of all our different departments," he explains.

Webco also needs the ability to customize the software as necessary—

"The use of the selection guide was completely error free."

since the company itself will re-engineer as customer requirements warrant. And, of course, Webco needs a company it can rely on.

"We have to feel secure about the vendor," Coons says. "We need to feel that it has the financial and personnel resources to be around in a couple of years."

Webco management is sold on the idea that the software is needed. "But other issues keep occurring," Coons says. "We keep revisiting the project, and new issues keep cropping up." Last year, for example, the company was acquired while the software acquisition project was under way. But, even with all the starts and stops, the company has subscribed to the meonline service. Even if it hasn't been able to make many purchases, meonline has helped keep the company's knowledge of software vendors and their products current, explains Coons.

Due diligence

The meonline package is an important first step in identifying potential suppliers, says Coons. "We did the first cut of vendors with MASG. Its questionnaire was so detailed, and the analysis so complete that we figured if a company didn't match up [on the MASG survey], it would be a waste of time to bother looking at it any further."

Although Coons was the administrator of the system, five other people

used it, filling out portions of the detailed questionnaire according to their fields of expertise. Users were department managers—individuals who would all be involved in the ultimate decision-making process.

Qualities of Webco's Ideal Vendor

- Continued support for the software package
- Knowledge of the industry
- Ability to customize as necessary
- Financial and personnel resources to insure stability and availability

"Last spring we went through the complete questionnaire, did the rankings of the software, and got a list of top ten possible vendors," Coons recalls. "Then I went to the ERP World Conference over the summer, and I was able to see seven of those top ten packages represented there."

By combining the information gleaned from meonline.net with information from the trade show and the personal knowledge of IT staffers, the company was able to winnow the selection of final vendors down by half.

Praise for MASG

Meonline is an ideal primary resource for the busy MIS manager.

"It allowed me to focus on those seven top companies, and get more detailed information," Coons says.

"In the past, software evaluation would be hit or miss. I'd read lots of marketing material that vendors would send and get information when I went to conferences. Word of mouth [from friends and colleagues] was the source of a lot of information." All of those resources are still being used, Coons stresses.

Using meonline.net could not have gone more smoothly, according to Coons. "The use of the selection guide was completely error free," he says.

The portability of the system, which allows access to the databases from any computer with Internet capability, was an important consideration, especially since managers with many other responsibilities were filling out parts of the survey.

"Different department managers could access the system at their leisure," he says. That's a good thing, because one of the few criticisms of the system, Coons notes, stems from its comprehensive nature. "It can take weeks to get the survey filled out," he says.

But, at the same time, the comprehensiveness was a plus, Coons says. "I can't imagine that there were many more questions of any kind you could fit into it. We knew everything was covered."

Though meonline.net lets users weigh various questions and properties (so that functionality can be made more important in rankings than

"It was a definite time-saver for us to have the software do the evaluations and the rankings."

service, for example), Webco kept the settings at default, which treats every category equally.

And Coons was interested in looking at all available categories in the questionnaire, including accounting, purchasing, sales/marketing support, and engineering.

Information Resources Used by Webco:

- MASG
- Trade shows
- Vendor presentations
- Personal knowledge of in-house staff

"It's a big questionnaire but we wanted to look at every function. And, instead of giving preferential treatment to one function, we decided to weigh every function equally," he explains.

Coons is a big fan of the product. "It's a very good tool," he says. "It was a definite time-saver for us to have the software do the evaluations and the rankings. Otherwise, I'd have had to do it myself. And that would have taken months."

They've got a short list

For Coons and Webco, meaconline.net served to streamline the software selection process.

"It allowed me to make better use of my time," says Coons. "Instead of just looking for vendors, I could focus on a

few software packages and make sure that those actually worked."

Among the vendors on Coons' short list were Industrial and Financial Services, J.D. Edwards, Oracle, and ROI Systems Inc.

Following ERP World, Webco started inviting vendors in to make presentations and made some visits to vendors as well.

"In that way, we were able to cut down the list even further," he says. "There are about three potential vendors on the list now. One of those companies has made

a presentation, but the other two are waiting until we have the go-ahead."

Since the purchase hasn't been completed, Coons can't really figure out the return on investment on the MASG services. But it's a tool he intends to keep using until the purchase cycle is completed. "We should be subscribing for another year," he says. "We'll be using the 2000 version." ■

Gabriel Allan is a freelance writer in northern New Jersey. He's been writing about manufacturing software for decades, including some of the first articles about MRP II.

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For More Information

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