

LINKTECH QUICK COUPLINGS

CASE STUDY



WESTERNCOMPUTER.COM
OXNARD, CA | 805.581.5020

ERP SOLUTION HELPS MANUFACTURER ACCOMMODATE RAPID GROWTH

100% ROI WITHIN 90 DAYS AND 20% REDUCTION IN INVENTORY LEVELS IMPROVE CASH FLOW, ALLOWING LINKTECH QUICK COUPLINGS TO INVEST MORE MONEY INTO OPERATIONAL AREAS

When LinkTech Quick Couplings launched operations in 2005, the company deployed QuickBooks Enterprise as its ERP platform. But as the company grew rapidly—and the number of finished goods increased to more than 800 SKUs—managing inventory and tracking product shipments became a major challenge.

“On-time shipping and inventory turns were not at acceptable levels, and we were constantly juggling to expedite orders and production,” says Randy Rehder, the President and CEO of LinkTech. “We needed to move quickly before the situation impacted our customer relationships.”

LinkTech set out to replace QuickBooks, evaluating enterprise-class ERP solutions, including Microsoft Dynamics NAV, Sage, and SAP. “Because of our dynamic growth, our continued manufacturing developments and our planned investments, we knew we needed a powerful ERP platform,” Rehder says.

LinkTech ultimately chose Microsoft Dynamics NAV for its ease of use, particularly the consistent presentation of information across all forms. “If you look at a purchase order, a sales order, or any other form in Microsoft Dynamics NAV, they all look exactly the same as far as how information is displayed,” Rehder says. “This makes it easy to train people.”

Rehder also appreciates the functionality of the Microsoft Dynamics NAV add-on modules. LinkTech purchased an Automated Shipping Module and an Advanced Manufacturing Module to automate the management of manufacturing certificates. LinkTech can also easily customize Microsoft Dynamics NAV to meet specific needs as they arise.

DEPLOYMENT PARTNER PLAYS CRUCIAL ROLE IN ACCELERATED DEPLOYMENT TIMELINE

Another advantage of deploying Microsoft Dynamics NAV was that it gave LinkTech the opportunity to engage Western Computer as its deployment partner. “We wanted to partner with Western Computer because they developed an in-depth deployment plan, which enabled us to migrate to Microsoft Dynamics NAV within four months,” Rehder says. “But we could also see that Western Computer is much more than a deployment partner—they continue to work closely with us to make sure we derive full value from our ERP platform on an on-going basis.” Rehder says that Western Computer is particularly proficient in the way it communicates on projects and service incidents through a website portal that shows the status of all support tickets. Western Computer also provides training and support for end users, which made the transition to Microsoft Dynamic NAV all the more easier.



PROJECT GOALS



Provide advanced reporting and shipping capabilities



Improve quality system and customer service



Increase inventory visibility

“We could not have implemented the solution in four months without Western Computer. The follow-up after the implementation has also been superior—Western Computer makes using Microsoft Dynamic NAV very simple.”

- Randy Rehder
President & CEO of LinkTech



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"It's great having a partner like Western Computer that essentially gives us whatever support we need right at our fingertips," Rehder adds. "They make and keep commitments, so we know exactly what to expect."

To maximize business-process efficiencies, Western Computer integrated Microsoft Dynamics NAV with other systems at LinkTech including Microsoft Outlook, Word, and Excel. The integration makes it easy for end users to import documents and send emails from within Microsoft Dynamics NAV.

FULL ROI ACHIEVED IN 90 DAYS

As Western Computer deployed Microsoft Dynamic NAV, LinkTech anticipated improvements in business-process efficiencies, cost control, inventory turns, and

**WITHIN 90 DAYS OF GOING LIVE,
THE INVENTORY TURNS IMPROVED
TO 4.6 TIMES WHILE ON-TIME
SHIPMENTS IMPROVED TO 96%**

cash flow. Within 90 days, the company achieved a full 100% return on its investment in the software as well as the upgraded hardware system to run the software.

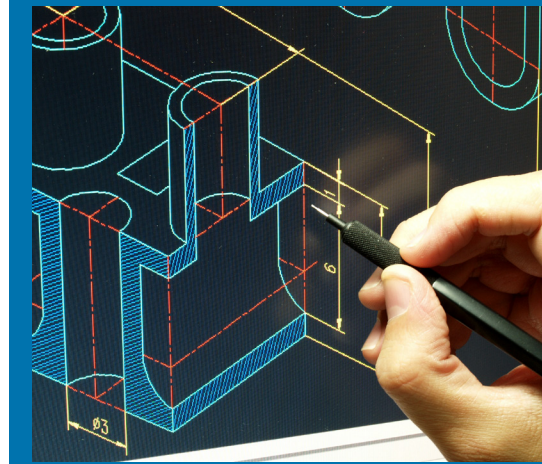
"We reduced our inventory value by more than 20% in that same time frame," Rehder adds. "The reduction created additional cash flow that actually exceeded the amount we invested in Microsoft Dynamics NAV. We also gained additional capability to grow our company in other directions."

Other results were also impressive: Prior to the deployment of Microsoft Dynamics NAV, inventory turns averaged 2.8 times while on-time shipments averaged 83%. Within 90 days of going live, the inventory turns improved to 4.6 times while on-time shipments improved to 96%.

Since the initial 90-day improvements in inventory turns and on-time shipping, LinkTech has maintained similar levels of proficiency—even as the company continues to grow at a steady clip. Inventory levels continue to register in the 4.6 to 4.8 turn-rate range, and on-time shipments remain consistently above 97%.

IMPROVED INVENTORY ACCURACY AND AUTOMATED MATERIAL REQUIREMENTS PLANNING

Inventory accuracy has also improved, jumping from 85 to 99 percent. LinkTech now knows precisely what's in inventory at all times, including items that are sent to supply chain partners, who add components before returning the products to LinkTech for delivery to customers.



PROJECT HIGHLIGHTS

- Fully implemented within 4 months and achieved 100% ROI within 90 days
- Reduced inventory value by more than 20% creating additional cash flow
- Inventory turns improved to 4.6 times while on-time shipments improved to 96%

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"Western Computer helped us configure Microsoft Dynamics NAV so that we can see our true inventory at all times," Rehder says. "Since gaining this capability, we no longer guess which products currently reside at supplier locations. We actually see them in a bin location once they have been transferred. The accuracy of our in-house inventory has also increased dramatically—to 99%."

Rehder notes that LinkTech has also benefitted from the material requirements planning (MRP) capabilities of the solution. Before deploying Microsoft Dynamics NAV, LinkTech could not perform true MRP, relying instead on visually scanning the plant and making notes on paper or in spreadsheets.

Today, LinkTech runs automatic MRP whenever managers need to bring resource information altogether in one place.

PROJECT SUCCESS ELEVATES THE PARTNERSHIP

"Capabilities like this have truly elevated our partnership with Western Computer—and there's no way we could have implemented the solution in four months without them," Rehder says. "The continued follow-up after the implementation has also been superior. If we need to customize or add features, we simply go to the Western customer portal and submit a ticket. They then quickly address the situation—Western Computer makes using Microsoft Dynamic NAV very simple."

The success of Microsoft Dynamics NAV, augmented by the services and expertise provided by Western Computer, help LinkTech achieve one of its core corporate objectives: investing in technology instead of expanding overhead whenever possible.

"Automated technology like Microsoft Dynamics NAV eliminates mistakes and creates consistency for our customers," Rehder explains. "We can give customers quick answers when they call about the availability of a product or the status one of their orders. And with the ability to ensure on-time shipping and having information at our fingertips, we can also make fast decisions as well as communicate to customers with complete confidence. These capabilities are absolutely critical for creating high levels of customer satisfaction and developing long-term customer relationships."

ABOUT LINKTECH QUICK COUPLINGS

Based in California, LinkTech Quick Couplings is a multinational manufacturer of quick couplings and valves with distribution capabilities in most major continents such as Europe and Asia. LinkTech's expertise encompasses precision injection molding, plastic joining, machining and assembly of critical zero-leak valves and connectors. The company also manufactures miniature fluid quick-connects for the medical device, analytical in vitro, and other high-tech markets such as fluid management for electronic cooling, fuel cell electronic connectors.



PROJECT RESULTS

+99%

Accuracy of in-house inventory

+97%

Consistency in on-time shipments

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